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CAREER, AIMS OF NEW CDA CHAIRMAN VAN VELZEN PROFILED

Amsterdam DE TIJD in Dutch 6 Mar 87 pp 9-15

[Article by Tom-Jan Meeus: "A New CDA Chairman with Guts: 'They Will Notice in the Hague that Van Velzen Exists, You Can Be Sure of That'"]

[Text] Is the new CDA chairman a grey mouse? A career loving little man with a vision? Apparently not. This is a portrait of Wim van Velzen, an "effervescent type" who is still waiting to see which way the cat will jump. But people who know him understand why. They also know where he is headed: "He will come out in a surprisingly progressive manner."

It is true that luck was not with him at the CDA meeting in Maarssden. After him, Piet Steenkamp had prepared one of his short appearances during the election campaign; next the prime minister was given the opportunity to address the crowd. The speech of the new chairman palled in comparison with this. Thus, W.G. (Wim) van Velzen unwillingly confirmed the not very cheerful image of him which has already developed in a short time.

"And those little hands," we heard a CDA member of parliament say the next day. He waves them as if he were hanging out the wash." But that is only the presentation. It has been noted in the parliamentary party and elsewhere in the Hague section of the party that greater disadvantages could be mentioned about the new chairman. The fact that he is nobody, a politically inexperienced career loving neither fish nor fowl type, who combines a lack of opinion with taciturnity and a never-ceasing lean toward the middle.

Who knows whether there is any truth to it, but there is a suspicion that the echo from the parliamentary circuit has once again fooled with the facts. Because anyone who takes the time to dig deeper into the life and work of Wim van Velzen comes up with a different story. A story which virtually counters all the prejudices--and even disposes of some suspicions which existed in the committee which made Van Velzen chairman. A surprising story really. About a relatively young (44 year old), straight CDA member who has come out the winner of many debates with more traditional party colleagues by a show of guts.

A tour of (political) friends and acquaintances. And a plunge into his apolitical past.

His student years were rather unremarkable. After having attended a training college in Rotterdam, he studied education in Nijmegen where he was known as an "attractive and ambitious student," of an "average" level. "Not a cum laude type," said Dr E. Velema, whose course he graduated from. He did not participate in politics. He did get interested in politics via his father, but then primarily because of the latter's activities in the catholic union movement. His father was not a member of any party--"I don't think so, but I am not absolutely certain of it," said Van Velzen--and he himself did not translate his political interest into party membership either.

As student his special interest revolved around education policy--an area which caused little interest among his fellow students. Because of the lack of experts in this area, he found employment even before graduation with the Catholic Pedagogic Center [KPC] in Den Bosch, a catholic oriented advice organization for both the minister of education and normal educational institutions. He became board secretary at KPC, which was known as rather progressive in the world of education. The then and current general manager of KPC, G. Janssen, remembers that: "He was willing, showed himself interested, involved, ready to take on jobs and above all he came across as clever." "I remember," he said, "that the nominating committee said: let us quickly take him, but do not count on him staying very long."

Magic Ball Memorandum

Van Velzen exhibited managerial qualities. The magic ball memorandum which he drew up at KPC in the late seventies is still often recalled at the office. Janssen: "We were experiencing the after-pains of a merger. Things were not going all that smoothly, and then we said to Van Velzen: why don't you put on paper what should be changed." It sounds stuffy, but according to Janssen it was "a very important event for our organization, because such a merger is not easy to digest." Something like the merger which led to the CDA? "Yes, indeed. Because what applied to us at the time now applies to the CDA; the merger has been completed, but attuning to one another is still lacking." And Janssen readily added that Van Velzen is an "excellent man" for that kind of work.

Janssen did not notice much serious political involvement in Van Velzen. "He was not a member of any party, and it was extremely rare for that subject to come up in conversations with him." The board secretary was especially busy with his job--very busy. "He really worked extremely hard. That man worked like a horse," said Janssen. "Occasionally he would come in at 6 o'clock in the morning. He always worked through the weekend. And when he came back from vacation he would bring back a book full of new ideas. I went on a trip with him. That was really going from appointment to appointment with a stop watch in his hand. You arrived by plane at 7:30 a.m.; this was followed then by a first working breakfast at 7:35 a.m.; and then, quickly, another appointment--and that went on the whole day long. I did think sometimes: boy, are you going to be able to keep this up? Because that job at KPC took up 60 to 80 hours a week, and then he started taking on all kinds of other functions also, such as for example in the CDA."

Van Velzen--in due time he became director of planning and organization--did more than managerial work at KPC. Janssen: "Definitely. Then it involved questions such as: what will education in the year 2000 look like, what do you want it to look like, and what steps do you need to take to get there? For that sort of thing you must have vision and have a great deal of creativity at your disposal."

When Van Velzen left KPC in 1985 after 13 years, he had barely changed. Janssen: "He had remained the same, even though a great many things had changed in his life. That is characteristic of him, I think." In November 1985 Van Velzen was appointed acting director general for continued education at the Ministry of Education. But he had already worked at the ministry before that time, better yet: conducted politics in the department. Just as in the CDA as a matter of fact.

Secretary of State for Education Ad Hermes needed an adviser. A political adviser. Someone who can ensure that a tough law, about which a consensus cannot easily be reached, is drawn up in such a way that the majority in parliament can agree with it. Someone who understands the matter, but on the other hand is willing to give up a few points now and then. We are writing about 1980.

The education bill, that is what was involved. The bill, which for quite a while already had been the subject of disagreement among the political parties, a disagreement which was closely tied to the hidden structure of education, would thus be completed by a special political adviser. "A rotten job," said a ministry official. One of his colleagues called it "work for a huckster," which could be carried out only by someone with the "patience of an angel" and knowledge of the matter which you can acquire only if you are willing to "do monks' work."

That someone was Wim van Velzen.

Two days a week he was loaned out by KPC to Secretary of State Hermes to manage the work. Purely political work: conduct discussions and negotiations with members of parliament, prepare Council of Ministers documents, massage social organizations: that sort of things. Those were not his first political activities. In the seventies he had already been active in education committees of the KVP [Catholic People's Party]. And yet he did not join that party. He says: "The party lacked lustre. The downward trend was continuing, activities were barely developed because they were too busy with the merger. I think that I am someone who is more interested in a movement, and less in a party. That is why my step to the CDA in the eighties was more logical."

In the end, Van Velzen survived Hermes for many years at the ministry. Hermes disappeared from the department after the fall of the second Van Agt administration: Van Velzen remained and next he became adviser to Hermes' successor, CHU [Christian Historical Union] member Gerard van Leijenhorst.

"I have good memories of him," recalled Van Leijenhorst. "He was a busy man, had a great deal of knowledge, was able to estimate the political ins and outs, and knew what was going on in the field of education." Now it must be said, for the sake of honesty, that the civil servants were definitely less enthusiastic about Van Leijenhorst, whereas in contrast many of them "took their cap off" to the manner in which Van Velzen "carried out his job." "I will tell you honestly," said one of them, "that law came into being more in spite of than thanks to Van Leijenhorst. If there hadn't been someone there with the perseverance of Van Velzen, the matter would never have made it. Never. Then that law would have been sold to the coalition partner via another package deal. Because that is how politics works, right?" Ultimately the bill was ratified in the First Chamber on 16 December of last year. "Deetman was behind the table. But you can safely say: it is Van Velzen's law," said an official.

That is a remarkable opinion about the new CDA chairman. Because however much his party colleagues express themselves positively about their new chairman, they seldomly come to the conclusion that his "Fingerspitzengefühl" about pure political negotiation is particularly developed. The new chairman obviously has more experience in this than many of his party colleagues imagine. Or is it a misunderstanding? The fact that at a decisive moment Minister of Education Wim Deetman made positive comments about Van Velzen's candidature causes one to suspect differently.

"I thought: that's a good guy, who knows what he is talking about, who knows what he wants." Madeleen Leyten-de Wijkerslooth de Weerdesteyn is an influential CDA politician. When the KVP still existed she was vice chairman; since the establishment of the CDA she has been a member of the First Chamber and a member of various governmental advise committees, as well as of similar CDA committees like the committee which drew up the last electoral program. This was in 1984.

The leadership of the Brabant CDA party had to be renewed. Leyten: "At that time I nominated Wim van Velzen for a management position. I also heard from others that he was a capable guy." So capable that he became not only a candidate for board member, but even a candidate for chairman.

Piet Schriek, a young CDA alderman in the Brabant municipality of Oosterhout who is also active in the Brabant CDA, was a member of the nominations committee which was supposed to identify the new chairman. He told us: "Wim was an absolutely unknown figure in the party. But also a very interesting figure. The CDA in Brabant had gone to sleep. Barely any politics was being conducted there anymore. It had become an old-fashioned club. We wanted a new start. Therefore we were looking preferably for someone who was as little traditional as possible. Not someone who could clearly be identified with something like the traditional KVP. Now, that seemed a rather difficult task, but Wim seemed to fit our idea of a new chairman wonderfully well. Thinking in terms of the old blood groups, for example, was absolutely unfamiliar to him. He had a blind spot in that respect--a very fortunate blind spot as far as we were concerned. He was the best candidate."

In short, in 1984 Wim van Velzen became CDA chairman in Brabant (and simultaneously member of the executive committee of the CDA). Because he was not carrying any tradition along. Because he was new. Because he did not clearly belong to any orientation. Advantages which would also prove to be important later on during his (lightning) career.

Life in the Tent

In Brabant he did not start as a whirlwind--that happened only later. "In the beginning," recalled Schriek, "he was underestimated. He refused to commit himself, he kept track of what was going on. It turned out that he had chosen his position deliberately, that he did not want to take a bite too quickly. But in the meantime he was busy getting thoroughly oriented, and he got into conversations with everyone he encountered. And it was only later on that he would start developing a strategy: how do we restore life to this tent here?"

Within the leadership and at the CDA office in Brabant Van Velzen encountered a remarkable club of young people. The calcified, stale party establishment, which primarily came from the KVP, had left serious holes. Holes which were filled mostly by direct CDA members who, stimulated by the blossoming success of Lubbers at the national level, have a need to attack. A Gideon gang--that is what it looked like, they said.

Gerd Leers was one of them. "We had a tremendous amount of ideas, were active, actually were running ahead of events which were taking place at the national level in the party. And Wim van Velzen was the one who gave it leadership." But not in the manner people in Brabant had been used to until then.

Schriek who, even though he belonged to the "young people's" club was someone with more experience, commented: "He functioned as a kind of new style manager. Not someone who provided leadership from above, which really was the customary way here. He stood among his people, and put them to work by asking questions: why do you say that, why are you so convinced of that?" Yke de Grood, director of the CDA office in Brabant, and also well under forty, said: "His enthusiasm was also very stimulating. It shines out of his eyes, doesn't it? A very energetic atmosphere came into being here. And as a result, cooperation was not only good, it was also fun."

Brabant Problems

The new thrust also looked for a way out. "Something" had to be done with it. What? The pretentious task thought up by Van Velzen was the development of a comprehensive plan which would indicate concretely in what way typical Brabant problems would have to be solved. An all the more pretentious task as experience with these kinds of plans teaches us that they end up in the dusty drawers of large filing cabinets.

And yet Van Velzen apparently went to work on it undaunted. He formed a club of people, varying from Wijffels, the top manager at the Rabo Bank, to De Jaeger, the mayor of Rijsbergen. He formed subcommittees. He formed a group of advisers. And in so doing he brought a total of about 80 people into action. Leers became secretary: "He got people from everywhere, from all kinds of ranks. What had been lacking for a long time happened now: people became involved in the party. In a manner of speaking he mobilized all of Brabant. That didn't happen in any other province. A very fine accomplishment."

But did it really produce anything, except for a renewed sense of belonging? It did. For example, a few remarkable positions given the CDA standards. Under the heading "emancipation," we find in the published report a plea for affordable child care to be stimulated by both private individuals and the government. A position which could definitely not count on warm applause everywhere within the CDA. "Van Velzen," said Leers, "is someone who, apart from existing dogmas, asks himself how you can solve a given problem. Now, if it comes down to the fact that in terms of emancipation you cannot circumvent child care, then he says: then we'll do it that way."

He dares. "The party," said Leers, "is full of talk about emancipation: more women in important positions, also in parliament--that story. Van Velzen then is the one who puts this into practice. He simply did it when candidates were nominated for the last elections: there were three women in electable positions--the largest number of all CDA parliamentary circles. He aims for that. And look, such things do arouse conflicts. Because there naturally are people in the party who find this exaggeratedly fashionable, or whatever. Thus he also gets criticism, in this case primarily from much older party members. He does listen to that, there is no doubt about it, but he does persevere." Piet Schriek summarized it as follows: "He is not tied to traditions, he cannot think in terms of old ties, he tackles things in a contemporary and modern manner."

But it has happened more than once that in so doing he aroused resentment, especially among the older members of the party, let us say the traditional KVP members. Leers: "He is so active, so effervescent, that people often cannot keep up with him. He is usually three steps ahead. That is not bad, except when there are people who cannot stand that. And that is why we did say to him occasionally: be patient, run one more time around the church, then the others will have caught up again. Because otherwise those people will put a spoke into your wheel. He did have some problems with that on occasion. And I really think that he could have problems with that in the Hague also." De Grood: "He interferes with everything. In the Hague they will notice that he is there, you can count on that."

"It is actually a sad state of affairs," laughed Schriek. When they were looking for a new chairman after Bukman left to join the administration, Schriek sent a letter. "I nominated him, yes, together with a few other party leaders from Brabant. I believed in them. But the fact that he is the one who was chosen is annoying for Brabant. We have lost him."

And yet it took a lot of doing before Van Velzen became chairman. For quite some time it even looked as if he would not be it.

There was no shortage of candidates. On the contrary. Virtually the whole executive committee of the party was willing. And candidates from the country were also pushed forward without much reticence. Clearly identified blood group candidates also presented themselves: a new struggle seemed likely between the three from the past. And that at a time when a real dream candidate, someone who really stuck way out above the field, was not available.

What now? They decided on the best known solution which was not a solution: a committee was set up. Piet Steenkamp became chairman, and the three blood groups were each given choice seats: the above mentioned former vice chairman of the KVP Leyten, her former AR [Antirevolutionary Party] colleague Professor Krol, and former CHU Chairman Baron Van Verschuer. That foursome was supposed to handle the matter. This was the summer of 1986.

There was great surprise when a few months later the committee pushed Wim van Velzen forward as the sole candidate. There had been lengthy speculation as to who would be the candidate: Bert Fleers, from the KVP, vice chairman under Bukman, or Jef Pleumeekers, also a former KVP member and member of the First Chamber, or Huib Eversdijk, a former CHU member and member of the Second Chamber? Originally, Van Velzen also appeared on the lists but he was put on a side track because he really had been a member of the CDA for such a short time only, and furthermore his political profile was too defective.

Of the remaining candidates, Eversdijk was the first to fall away--he was supported only by CHU committee member Verschuer. Next it was Fleers' turn to discontinue the race--especially the non-catholics on the committee considered him too much of a representative of the old KVP. And ultimately Pleumeekers also fell away--even though less KVP oriented than his Limburg origins would lead one to suspect, but not strong enough in terms of content, was the verdict.

Illusions

And then what? Good question. "Those were crazy weeks," said a member of the executive committee. "Everybody was talking about it, nobody knew it exactly but a great many illusions were dissipated during those weeks."

The committee once again looked over the candidates. And once again stumbled over Van Velzen. "His faulty profile--originally his greatest disadvantage, suddenly became a great advantage," said the above mentioned member of the executive committee. Steenkamp put himself completely behind Van Velzen's candidacy, Krol followed, so did Leyten, but the "CHU baron" continued to have doubts. It was only after he had gotten more information from his fellow blood group member Deetman at the Ministry of Education that he changed his tack: Deetman's opinion had been positive. The baron still thought it was a joke, but decided to go ahead anyhow.

This course of events in any case explains the reserved and cautious way in which Van Velzen has fulfilled the political aspect of his new function so far. Schriek: "He is intelligent enough to bide his time. He will first see how things stand. Some time from now you will definitely hear from him." The chairman himself commented on the subject: "I could start shouting incredibly beautiful things, which would bring tears to your eyes, but how would I make them come true? I have a whole bunch of wishes, ideas and conceptions. I will achieve them. And then it will be obvious what nice things I have in my head."

As a matter of fact, it is interesting to find out what the people who knew him in Brabant think about the idea which has taken root in the Hague that Van Velzen has a faulty political profile. The people in Brabant assume that those in the Hague have not dug deep enough.

Janssen from the KPC: "He is capable of distinguishing fossils from what is alive. Thus I think that he will often come across as leftist."

Schriek: "He has very strong opinions about a number of matters. He is not the type to temporize. On the other hand, he is someone who will not say things which do not serve any purpose. But the parliamentary party and the ministers will notice that he is someone who is capable of keeping an eye on the points of departure of the CDA. That is not an easy thing to do, but when push comes to shove he will not hesitate to give people's coats a tug, you know."

Leers: "I think that off and on he will come out with something surprisingly progressive. He is absolutely not conservative, and when necessary he will demonstrate that. In any case, he is definitely not a rightwing CDA member."

And Hans Huibers, chairman of the CDJA [CDA Youth], who worked with him in recent years within the executive committee, said: "He can very well be surprising sometimes, you know. He is not a colorless type. He has guts when things are important. He will certainly not always let himself be daunted by either the government agreement, Ruding or Brinkman."

"Now we have the opportunity. Let us seize that chance. It is really much nicer than the endless splitting of hairs." Madeleen Leyten is also someone who feels that discussion is needed. The CDA must think more thoroughly about what precisely it wants. "And Van Velzen must lead that."

It is always healthy to ask a few questions when party colleagues feel that if necessary their organization should enter into discussions. Especially now that we are talking about CDA members, because since the last elections, partly due to Piet Bukman's strongly propagated "unity," their party is veritably flourishing and you do not have to be a great visionary to know that the relationship between discussion and unity is tense. Thus, the questions are: Why is it so necessary to hold discussions now? What are they supposed to be about? And what is their purpose?

The answer to the first question is revealing. In recent years, many of the second level people in the party, the CDA politicians at the provincial and local level, those people who are so badly needed at the time of elections, have been suffering from quite a headache. They also felt that savings were needed; that was not the point. But they were less enthusiastic about the national government's tendency to shift as much misery as possible to the lesser authorities--implementation of the reviewed social system, the policy on senior citizens, the welfare policy: those things. And they were downright irritated by the ease with which the Hague placed ideological labels on the savings. They could manage to live with Lubbers' "no nonsense," but Brinkman's "three millimeter deep talks" were faulted in broad circles. Because over and over again those talks were held when a few hundred million guilders once again needed to be trimmed, so that they had as much credibility as the PvdA's drive for the struggle against crime.

"Mistakenly," said Schriek, who experienced the above mentioned problems as alderman in Oosterhout, "the image has been created in recent years that as a party we are exclusively preoccupied with material things, with the financial policy. Of course, that no nonsense policy was partly right, but the question which was not stressed enough was: what was all this for? It also appeared that several ideas existed on this subject. What we want now is an answer to the question of what society do we want to achieve, what is the underlying idea behind this policy?" And more concretely: "The CDA should not just be a party which counts pennies, but also one which radiates social emotion." The complaints of the second level people are interesting, said CDJA Chairman Huibers, because: "They really are the backbone of the party."

Concrete Issues

It is true that all those CDA leaders oriented toward practicality are not looking for in-depth stories about the role of the government in the year 2000 and the like. No, they want to see concrete issues on the table. Leers, who is also a city councilman in Goirle, said: "We do know those stories about the caring society and about giving space to those who have few opportunities; they are heartwarmingly beautiful, but try to give them a concrete substance. Do tell us what they mean in practice. In Brabant we have tried to take a concrete approach to them. That must also be done at the national level."

Confidence in Van Velzen is rather strong within that second level: he has shown in Brabant that he is able to manage such things, that he has the courage to break through the established order.

But there is more to that discussion. The need for concrete solutions at the second level is coupled with another lack at the national level: the lack of ideological substructure. Take for example individualization, a tendency which in many of his statements is contrary to the Christian values which the CDA has made its own. As a matter of fact, it seems that within the CDA they would just as soon carry out a large scale move to dam individualization.

Van Velzen himself puts it as follows: "I am rather optimistic about it, you know. People will see that individualization can be beautiful but that it also has a number of negative aspects. On the one hand you see independent, enfranchised people, on the other hand you see people who are in service to one another. How do you bring harmony to that? My ambition is to translate that into a concrete policy."

"This is only an example. The pretensions are much greater, are spread over a much broader territory. That is when people talk about the caring society, the caretaker society; the CDA response to the welfare state--which has become unpayable--which requires a large, volunteer and thus unpaid input of people for those who need help in society."

Van Velzen manifestly wants to propagate that idea. And that is very typical of him. He says: "We have to try to involve everyone in that discussion. That is why the debate should not take place only during party evening meetings. It must radiate toward the whole society. You have to make sure that people are very concretely engaged with your ideas." What would this look like in practice for, let us say the municipalities of Roermond and Lelystad? "I wouldn't find it strange at all if the CDA parliamentary party were to go into the districts of those municipalities, not only when there are elections, but every year, to discuss what has been done with the citizens."

It is the feasibility of the (caring) society, coupled to a modern, client oriented approach. "It fits," said CDJA Chairman Huibers, "what we are working on is to once again place our ideology in the foreground on a large scale. The PvdA and the VVD fret about the past or about themselves, we think about the future. The roles are reversed. Now they are in a defensive position, the position we were in a few years ago. Now we take our message to the country. In an attack. I hope specifically that the PvdA will be able to make a determined contribution to this discussion of the future."

And Wim van Velzen will be able to provide leadership for this. But is it not a disadvantage then that he has such a faulty political profile? As we stated earlier, people who know him better dispute the idea that he does not have enough vision. And one of them was willing to say--but then absolutely anonymously, because it would be dangerous if "Wim were to be identified with a camp"--that Van Velzen is well aware of the fact that the PvdA would be a much more favorable partner to achieve all those ideals than the VVD: "He agrees with what Wijffels says on the subject: the caring society will draw nearer more quickly with the PvdA."

It may well be that the new CDA chairman is being underestimated by his party colleagues in the Hague. This is also the way he fared during his first year in Brabant, but it was only afterwards that they became aware of what "our Wim"--because that is how he is known there--was capable of. Therefore it will not be a coincidence that, after we noted that he was being very cautious, he combatively stated the following: "Why don't you just wait and see. Let me get to work first, and come back a year from now. I think that then we will have a better base on which to talk."

Where will all this take Van Velzen himself? What are his ambitions? He himself is silent about it--which is probably by far the smartest thing to do. But yet, to speculate about it is also always fun, partly because it does say something about the person.

"He is qualified for every function in politics," said Alderman Schriek. "But he has to feel something for it himself. Because it has been said that he is a career man, but that is definitely not true."

"We always used to agree that politics is an uncertain existence," said Director Janssen of the KPC. "Politics was not his preference either. He would have liked to work at the international level. At one time he had ambitions toward becoming a member of the European Parliament. But things turned out differently. And I think that he himself now says: what I am going to do now is so uncertain that I will calmly wait and see."

"There are two possibilities," said Leers, "either he will become minister or he will go over into industry. As a matter of fact, the latter is still a possibility. Because, to be honest, I don't see him staying in politics until he is 65 years old. He is too effervescent for that."

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CGTP PRAISES SOVIET CHANGES

Lisbon DIARIO DE NOTICIAS in Portuguese 3 Mar 87 p 4

[Text] Carvalho da Silva, leader of the CGTP, yesterday described the changes underway in the Soviet Union as "very positive," adding that they would have a "decisive influence on the worldwide balance of forces and on the acceleration of mankind's progress itself."

Carvalho da Silva was speaking to reporters upon his arrival in Lisbon from the Soviet Union, where he had headed the CGTP delegation to the union congress in that country.

That congress was part of "the challenge to accelerate the economic and social development in which the USSR is currently engaged," said the Intersindical leader, and he added that that situation "is going to have a great influence on the action and conduct of the workers."

The coordinator of the CGTP also made it a point to emphasize the "effort to develop the content of democracy" which is now underway in the USSR and which was reinforced by Gorbachev's speech during the congress, in which the Soviet leader "challenged the unions to be straightforward and active in dealing with the workers' problems specifically and from positions of independence."

According to Carvalho da Silva, the keynote of the meeting by the USSR's principal mass organization was the idea that "the unions must be an important force and the prime accelerator" of all the changes currently taking place in that country.

"What this involves is a process of thorough restructuring" that is the equivalent of "covering as much distance between now and the year 2000 as has been covered in the 70 years in which the socialist regime of the Soviet Union has already existed," Carvalho da Silva added.

But according to the union leader, the criticism came not only from the Soviet leader but "also from the many delegates who spoke to criticize a degree of inactivity and a certain aloofness from the real problems" and to issue "a call for a response to those problems by the union movement."

Concerning the possible influence that the USSR's new union strategy might have on Intersindical, Carvalho da Silva stressed the differences separating the two countries, emphasizing that "in our country we must apply measures suited to our social and political reality, which is not the same as that being experienced in the Soviet Union."

COMMENTS ON OPERATIONAL STRATEGIES OF PARTIES, PERSONALITIES

Lisbon O JORNAL in Portuguese 6-12 Mar 87 pp 10-11

[Article by H.M., R.R., and F.A.; first paragraph is O JORNAL introduction]

[Text] How is strategy determined? Who are the strategists in the parties? Who, in short, has the final word? Do Cavaco Silva, Vitor Constancio, Alvaro Cunhal, and Adriano Moreira have a healthy commitment to collegial decisions? One conclusion seems certain across the board: no one can stand up to them successfully.

PSD: One Man in Charge

The final word will always belong to Cavaco Silva. "Team" is a word seldom used by the current prime minister and leader of the PSD [Social Democratic Party].

It was on the strength of that "image" that he won the election, and it is thanks to that image that he retains his popularity. No one can claim the title of "adviser" to or "strategist" for Cavaco Silva.

He listens to Fernando Nogueira, hears what Eurico de Melo has to say, calls Dias Loureiro frequently, reads political analysts, talks to his wife a great deal, and then decides for himself.

"I want" were the words used by Cavaco Silva in his inaugural speech as chairman of the PSD 1.5 years ago. And he still uses them today. Whether because he does not like dialectical "competition" or because he does not trust his closest associates, Professor Cavaco Silva is his best (and only) strategist.

That was why a press conference marking the anniversary of his victory failed when Cavaco Silva let all the other leaders do all the talking. They had nothing to say (and did not know what to say). The PSD today is a "transmission belt" for the party leader and for Cavaco Silva's strategy. In short, Cavaco Silva reflects, and the national and local leaders applaud and then execute. It is an electoral trump card at the moment, but its result is a dangerous lack of leadership for the PSD itself.

PS: Its Own Strategy Staff and Everything

In a party which, as Soares said, has "an abundance of leaders," many leaders are involved in deciding strategies. There is everything from the research staff to the shadow government, including the duo consisting of Nuno Brederode and Manuel Alegre, who coordinate the whole thing in the national secretariat.

Contrary to the situation in the PSD, for example, it is a disadvantage in the PS [Socialist Party] to present pragmatism as justification for practice. And when Constancio was a candidate, he was quite critical of that method, attributing it to Soares' management.

The Socialist secretary general is the strategist of strategists in the PS. He coordinates the secretariat, the research staff, and the shadow government. Present in each of those structures are several sectoral strategists and even a few that tackle any theme.

The latter group--that is, those who tackle anything and everything--includes Antonio Guterres, Sampaio, Brederode, Antonio Barreto, and, representing the internal opposition, Jaime Gama. But each of them is a specialist: Guterres in industry and party organization, Jorge Sampaio in foreign relations and ideological issues, Nuno Brederode in the image of the PS, Jaime Gama in foreign relations and defense, and Antonio Barreto in education and agriculture.

But when the problem is one concerning the media, Alberto Arons de Carvalho is considered the expert. Or if it concerns the area of finance, there is Joao Cravinho, a technician held in extremely high regard who, incidentally, is also an expert on industry. Sottomayor Cardia is in charge of the political and ideological training of militants, while Ladislau Botas is responsible for local government. Ferro Rodrigues is responsible for labor and social security, and in this area, we must not forget the importance of the UGT [General Union of Workers] and, therefore, of Torres Couto and Joao Proenca (the latter being considered a very important leader in the PS and the UGT).

Manuel Alegre and Nuno Brederode Santos play a specific role. They coordinate the strategy staff and must know the correct timing of things and what effects those various timings will have on the PS. But the question of who decides what the PS is going to do has only one answer: Vitor Constancio himself.

PCP: Few Strategic Variations

Of all the existing Portuguese parties, it is the PCP which has the fewest strategic variations but is very adaptable tactically. And it does not need many strategists. It has a very definite model of society, a sacred compliance with Marxist-Leninist principles, and a history marked by struggle against the government and any model of society which clashes with its principles of "scientific socialism."

As far as strategy in international terms is concerned, the stands taken by the socialist parties in the East suffice for it (there is no record of any

clash between the stands taken on foreign policy by the CPSU and the PCP). In the field of domestic policy, it has Cunhal--especially Cunhal, the Communist leader who, since 1946 at least (drawing on his experience with the fifth congress), has been writing the basic texts on PCP strategy.

But when it comes to defining and elucidating sectoral strategies rather than those concerned with taking power, one should probably not underestimate the importance of men such as Octavio Pato, who has privileged party relations with the cadres; Carlos Costa, who is interested in commitments and statements concerned with local government; Blanqui Teixeira, a discreet organization man who edits O MILITANTE; Jorge Araujo, who has an appetite for the military area and who, at the 10th congress in Porto, was responsible for delivering the speech on ideology; Domingos Abrantes, who is in charge of liaison with the CGTP/IN when Cunhal himself does not take over; and Angelo Veloso, the "leader in charge of putting out fires," who has been assigned to Lisbon to solve a number of touchy problems, especially that at O DIARIO, where, at a meeting held a few months ago, the majority of the staff reportedly (and in the presence of Cunhal) expressed its opposition to Miguel Urbano Rodrigues.

But while it is possible to reflect on the PCP's "kidney punches" in tactical terms, it is becoming increasingly difficult for anyone on the outside to see the individual importance of those engaged in carrying out the PCP's strategy.

In any case, the Communists will always say that the PCP's strategy is determined collectively by its organs of leadership, namely the Central Committee.

PRD: Special Advisers

The strategy of the PRD [Democratic Renewal Party] (or its lack of strategy) has as its indispensable and charismatic reference point the name of General Eanes. Everything flows toward him, and everything passes through him. But the PRD has its "advisers."

Herminio Martinho is the connecting link between Eanes and the PRD; Jose Carlos de Vasconcelos provides valuable parliamentary support, especially in drawing up documents leading to political decisions; Medeiros Ferreira is a politician experienced in matters of national defense and foreign policy (two areas in which he is perfectly at ease, as can be seen by his conduct in the European Parliament); Melo Antunes is also an expert on international policy and foreign policy, although his philosophy on foreign relations does not agree with that of Medeiros Ferreira; Silva Lopes and Ivo Pinho are the PRD's strong men when it comes to defining the model for economic development; and Carlos Lilaia is the kingpin of a research staff which has gradually been gaining in influence both because of the areas it covers and because of the financial resources at its disposal.

Not to be underestimated among the "strategists" in Eanes' party are Lencastre Bernardo, a former military man with a bent for organization, and Fonseca de Almeida, one of Eanes' trusted men who has easy access to both central unions (unions are one of the weak spots in the PRD's political structure).

That leaves Magalhaes Mota, who is leader of the parliamentary group. But to what extent is he more of a "legislative ant" than a strategist for the PRD's "conduct in Parliament"?

CDS: No One Disregards the Leader

Who makes the decisions in the CDS [Social Democratic Center Party]? The answer seems obvious and therefore not surprising: "The organizations themselves at a given moment." But who are the strategists? Who determines policy and strategy for the CDS? Who exerts more or less influence or might be able to put across viewpoints not in keeping with the dominant purpose?

The general conviction is that in the CDS, everything naturally depends on its leader, Adriano Moreira. His experience, perspicacity, and clearheadedness are qualities that are compulsorily taken into account when weighing decisions. The voice of the professor and politician is listened to and followed with reverent admiration.

A kind of predestination is being fulfilled in the CDS. It is that of the "wise men" who have served in the party leadership--those whose stature is always greater than and stands above the limited extent of the party's influence--and risen above it through their status as statesmen.

Adriano Moreira is no exception. The party lives on his words, his gestures, and the course he sets for it. The bylaws state that strategy is to be determined by the Political Committee. And in practice, that is no doubt indeed the case, but there is nothing to prevent the prudent advice of its chairman from prevailing when any important decision is being made.

And it is true that there to help him are the members of the Standing Committee: Narana Coissoro, Miguel Anacoreta, and Henrique Moutinho (the three deputy chairmen); Fernando Seara, secretary general; and Gomes de Pinho, leader of the parliamentary group, all of them assisted by Carvalho Cardoso, Andrade Pereira, Adelino Maltez, Horacio Marcal, and Abel Gomes de Almeida. Each is in charge of a specific department. The Political Committee is also divided into 12 sectoral groups covering all the areas that might go to make up a shadow government.

But the CDS does not have such a structure. Adriano Moreira does not assign excessive importance to the advantages of a standby government prepared for any emergency. Despite that, he said just recently in Leiria that he would not be afraid of government responsibilities if they were shown to be real.

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COMMENTS ON U.S. DEFENSE-ECONOMIC COOPERATION

Demands, Results Contrasted

Istanbul MILLIYET in Turkish 17 Nov 86 p 7

[Report by M. Ali Birand]

[Text] While U.S. officials describe the aid package brought by Assistant Secretary of Defense Richard Perle in terms like, "This is as far as we can go", in some Turkish circles the assessment is quite different: "Agreeing to the terms of the supplementary letter and signing the DECA on the basis of this package would mean that U.S. would be getting a deal at bargain basement prices."

According to Perle, in responding to this package Turkey has agreed in principle to sign the 'Bases Agreement' -- Defense and Economic Cooperation Agreement (DECA) -- in terms of the arrangement outlined in the supplementary letter. Turkish officials declare that work on the supplementary letter is just starting, and there is no clear agreement as yet, but neither do they deny it is almost certain that DECA will be concluded shortly, and that obstacles are out of the way.

The general consensus in Turkish government circles is one of satisfaction with the latest aid package, as well as "understanding" the difficulties faced by the American administration, and toward an acceptance of DECA as laid out in the supplementary letter. Foreign Ministry officials say, "The supplementary letter will be subject to negotiation but there is agreement in principle," and express their satisfaction with the package.

What We Asked For, What We Got?

Before any premature celebrations, it has to be noted that when a comparison is made between what Turkey demanded back in 85 (the year when Turkey demanded that DECA be renegotiated) and where

we are today, the result might not be deemed all that satisfactory. There may even be grounds for suspecting that in certain areas there were regressions. When Turkey asked for the renegotiation of DECA there were six points at issue. During the last 1,5 years these have been under discussion:

1 - Clarify Your Commitments

What We Asked For

Turkey wanted America to clarify its commitments. Just as Turkey's commitments are clear (from the status of bases to other bilateral commitments) it was demanded that American commitments should also be spelled out, and not remain simply as 'promises'. Ankara saw that though U.S. administration was able to tell clearly what its commitments were it was unable to pass them through the Congress. Either it was a case of not enough trying on the part of the Administration or the Congress was not listening. The net result was that while on the Turkish side things were proceeding without a hitch, U.S. commitments remained bereft of meaning or substance. To fill this vacuum Ankara went so far as to propose a formal treaty, which other countries usually avoid. If not, an acceptable arrangement within existing legal frameworks was sought.

What We Got

Washington makes it clear that from a constitutional standpoint it is not possible for them to go beyond what is elucidated in the supplementary letter. But that merely reiterates what has been promised in DECA. Since a treaty can not be passed through the Congress so the supplementary letter is the only option. Moreover, it would be crafted in such a way as to have maximum binding force.

The supplementary letter is quite inadequate in meeting Turkey's demands. It does not go beyond saying that "the U.S. administration will try its best to meet its commitments to Turkey." So the whole thing still depends on the disposition of the Congress and efforts of the Administration. In short, nothing of substance has been delivered.

2 - Increase the Aid

What We Asked For

Turkey, drawing attention to figures quoted by NATO commanders, had argued that the modernization of the Turkish army and related programs necessary for fulfilling its NATO responsibilities

ties would require an annual military aid package worth \$1.2 billion. And this had to be geared to a clear procedure. The point was that the large gap between Turkey's military responsibilities and its present capabilities was unlikely to get any narrower this way. For instance back in 85 military aid to Turkey was \$875 million.

Another issue concerned the 'quality' of the aid -- that is, the amount of grants and low interest loans in the package. And finally we had demanded that our FMS (foreign military sales) debts totalling \$3.5 billion be written off.

What We Got

Military aid which was \$875 million back in 85 now dropped to \$490 million, for familiar reasons. America has served notice that it could not guarantee the level of aid, and its laws would not permit that. It is almost certain that the level of aid will go down even further in coming years. It is pointed out that the Congress has reduced aid to the countries other than Israel, Egypt and Pakistan, and that there is a general sentiment against military aid.

The quality of the present \$490 million package is a major improvement over previous years (\$312 million in grants, \$178 million in low interest loans). But it is not certain whether this will continue next year. U.S. administration could not make an absolute commitment on that.

The FMS debt was not written off (unlike that of Israel). But it was promised (and only a promise at this stage) that by recalculating the interest \$800 million could be shaven off the \$3.5 billion debt. Though receiving \$490 million in aid, this year Turkey will have to pay \$450 million in FMS debts. According to the FMS system Turkey is expected to pay its debts up front, while the credits might be forthcoming throughout the year. The two accounts are separate and non-transferable. All this makes it difficult to talk of U.S. aid this year.

Additional U.S. Aid

To counter the rising dissatisfaction in Turkey, U.S. has introduced, thanks to the personal efforts of Richard Perle, a package called 'Aid for Southern Flank' -- directed at Spain, Portugal, Greece and Turkey. The package, designed for the distribution of U.S. army surplus materials, amounts to \$300 million. According to American officials, the 7/10 ratio will not be implemented but Greece, Portugal, and to a smaller extent, Spain will benefit from this package. It means that the package is not exclusively

intended for Turkey. Furthermore, the program is of short duration. Turkey will be given 36 F-4E planes (total price tag \$180 million) as has been under discussion for some time, along with some other armaments (prices yet to be determined). This is not an annual program.

3 - Get Athens Out of the Way

What We Asked For

Turkey had demanded that the U.S.-Turkey relationship should be kept separate from U.S.-Greece relations, that the Greek factor should not intrude into our relations, that Turkish-U.S. relations should not be allowed to be held hostage by Athens, and that the 7/10 ratio should definitely be taken out of service.

What We Got

- 7/10 ratio has gone full steam ahead, and apart from a few words of protest nothing of substance has come from the Administration. In fact, U. S. insisted a statement in clause 7 of the U.S.-Greece Bases Agreement, signed in 84, to the effect that the 7/10 ratio was here to stay, and that any effort to change this on the part of any government, would go against the spirit of the agreement,
- Washington has chosen Lemnos as a staging area to be used during wartime reinforcement of NATO's southern flank,
- Signed Defence Industry Cooperation Agreement with Greece,
- Offered no support to Ankara over Lemnos thus giving heart to Papandreu,
- Remained passive as Rogers accord was being terminated,
- Preferred not to notice the Greek-Bulgar agreement.

4 - More Trade

What We Asked For

Turkey wanted relations with America to expand not only in the military field but in trade as well. Being one of the only five countries which carry trade deficits with U.S., Turkey made the appropriate demand that market share be given to its products (foremost being textiles) with a view to reducing its \$600 million trade deficit with U.S., arguing that such aid would be more beneficial.

What We Got

With an agreement signed in Geneva America has opened a \$20 million market for Turkish textiles. But no interest was shown in other trading areas. Nothing was accomplished and promises given during Ozal's visit to Washington were forgotten.

5 - Defense Industries Cooperation

What We Asked For

Turkey made it clear that it did not want to rely exclusively on outside sources when it came to supplying its armed forces -- paying hard currency or depending on aid. It wanted to set up joint ventures. Turkish army would benefit from this, new fields would be opened for Turkish private sector, and new outlets for exports would help lighten the country's economic burden.

What We Got

Despite 1,5 years of delegations coming and going, speeches made and so on, it has become clear that American defense industry is neither willing nor ready to engage in joint investments in Turkey. It appears that U.S. administration will do nothing further than 'trying to persuade' them.

Conclusion

What emerges from all this is that Turkey's efforts to base DECA on firmer ground have run aground whichever way one looks at it. In some circles the deal is viewed as selling the whole enterprise short for the sake of a supplementary package, said to be \$300 million, of dubious duration -- probably a one-shot deal taking 2-3 years to implement. Though U.S. circles insist, "We can't give more," there are also observers who wonder, "Why on earth should the Turkish government agree to such a package?"

DECA Developments

Istanbul MILLIYET in Turkish 17 Nov 86 p 7

[Commentary by Sami Kohen]

[Text] It appears that the obstacles standing in the way of the Turkish-U.S. Defense and Economic Cooperation Agreement (DECA) have been removed, and now the way is clear for holding substantive discussions. Contacts between foreign ministers of the two countries have lately been confined to 'letter diplomacy', and DECA was not brought up during the Shultz-Halefoglu meeting in New York in early Oct. Ankara's strategy was that before any reformulating of DECA could be considered Washington would have to clarify its intentions over two issues: Additional military aid, and a review of the accumulated FMS debt. Shultz had promised Halefoglu that he would do all he can in both areas. Let's look at what happened since then.

The Administration presented a bill to the Congress, through Senator Goldwater, just before the recess. Prepared with Turkey in mind, the bill was designed to give authorization for transfers of 'surplus' weapons, vehicles and equipment to NATO Southern Flank countries. The bill passed thanks to the efforts of Richard Perle, assistant secretary of defense. Thus the Administration was able to compensate for recent cuts by the Congress.

In light of Perle's contacts in Ankara it is now understood that U.S. will be providing a further \$300 million through this bill. And the package contains Phantom (F-4E) planes for the Air Force. The figures reveal the following picture: Congress had authorized, for the new financial year, \$490 million in military and \$100 million in economic aid -- a total of \$590 million. Military aid is lower in quantity but higher in quality (as pointed out in earlier articles): \$312 million is in the form of grants, and \$178 million in low interest loans. When \$300 million in 'surplus materials' is added the total aid package reaches \$890 million, surpassing the levels in previous years.

The other issue, of concern to Turkey, was the accumulated FMS debt. Turkey is not able to pay the principal or the interest due this year. The \$3.5 billion debt is quite a heavy load for coming years as well. The U.S. administration tried to come up with a solution. It now seems that interest rates (which at one time were as high as 16 percent) will be retroactively reduced to current 5 - 6 percent rates, lightening the debt by some \$800 million.

It now seems that Ankara is quite satisfied with the U.S. actions over these two issues, and is ready to discuss the substantive aspects of DECA. The meetings conducted with Perle in Ankara have been about the final shape of DECA. These discussions are not yet over. When Perle returns to Turkey next month to join the Turkish-U.S. Joint Defense Committee meetings, one would expect that final retouches would have been made over the text, and the agreement would have taken its new form. It is highly probable that Halefoglul might be in Washington in January to sign the agreement.

The two sides seem agreed not to make changes in the original text of DECA. So we should not expect any changes concerning the future status of the bases. But, as of now, there is no complete agreement over the style and content of the 'supplementary letter'. Further contacts and discussions over some of the clauses will try to ensure that Turkey receives aid in a consistent manner in the future, and the 'Congress Factor' would be neutralized to the extent possible.

But we might as well resign ourselves to the fact that complete elimination of the 'Congress Factor' may not be possible. That is the American political system. Despite all the commitments shouldered by the Administration there is no way to guarantee that no interference by the Congress will take place. We should also make note of the fact that the Democratic majority in the newly-elected Congress is not so favourably disposed toward Turkey.

There is no doubt that there are differences between Turkey's initial position at the start of DECA negotiations and the expected outcome. That is quite natural. Opening positions tend to be more rigid. But negotiation is a process, a give and take. The important thing is effecting a balance between the gives and the takes within the framework of the possible.

Opposition to Agreement

Istanbul MILLIYET in Turkish 17 Nov 86 p 7

[Commentary by M. Ali Birand]

[Text] The atmosphere in Ankara changed suddenly. Everything that had been said in the last few weeks was forgotten. It was as if all differences of opinion over DECA had been patched up. How come?

It appears that the 'supplementary package' brought by Richard Perle has satisfied both the General Staff and the Foreign Ministry. And according to Perle, the Turkish government has come to recognize the difficult position of the American administration, and appreciate its efforts. And so we entered the final stretch before the signing of the agreement.

Let me say, right at the outset, what I intend to say at the end. If DECA were to be signed today (in response to the Perle package and in line with the supplementary letter arrangement) a heavy blow would have been struck not only at Turkey's interests but at Turkish-American relations as well. Since Americans are quite used to living from one day to the next they may not realize how the present set-up might harm relations between the two countries in the future. But we do not believe that Ankara (particularly the Foreign Ministry, conversant as it is with the Ottoman state tradition and political culture) would be committing such an error.

When Turkey asked for the renegotiation of DECA, foremost in its mind was to see that American commitments were placed on a sound footing -- over 'strong pillars' rather than 'empty promises'. This stance incorporated the following points:

1. Putting an end to the annual shell game of "aid passed through the Congress, no it didn't, it is cut, no it isn't, Greece interfered, no it didn't" and all the ensuing tensions in the Turkish public opinion and in bilateral relations,
2. To see that military aid is really 'aid', and making sure that one knows what the annual aid is going to be from one year to the next,
3. Keeping the Greek factor out of the equation,
4. To ensure that Turkish-U.S. relations are not confined to the military but is extended to trade and cultural spheres.

These four fundamental points were essentially just and to the core. Only in this way could the relation be settled on solid ground. Otherwise dissatisfaction was bound to rise, leading to frustration and anger. But Turkey has not received a forthright answer from America.

Looking at where we are today, what do we see? Turkey tried to secure the U.S. commitments on a solid base but Washington avoided the subject, and did not or could not go beyond promises; whereas Turkey's commitments are quite clear. Turkey tried to extend relations to other areas, and to extricate the Greek factor from the relationship, while U.S. indicated that it favored a military relationship, and went on offering sustenance to the Greek factor.

If this was a case of being dazzled by the Perle package then it is even more short-sighted than we think. It is true that the estimated \$300 million package of 'surplus materials' passed through Congress by the personal initiative of Perle. And as such it deserves to be considered a sign of the Administration's concern for Turkey. However, if the price to be paid is agreeing to the 'supplementary letter arrangement' and signing DECA in its present form, the answer should be a definite "no."

The needs of the Turkish army cannot be met by the contents of this package some of which is slated for Greece, Portugal, and even Spain. It is a one-shot deal and will take 2-3 years to implement. And other items in the package are not clear. The \$800 million to be written off from the FMS account is far short of the \$3.5 billion write-off that we sought.

The package might look attractive from the outside but a closer look reveals its inadequacies. Perhaps the one positive thing is its 'quality', that is, the high level of grants. In short, there is no effective correspondence between Turkey's initial demands, military and otherwise, and where we are today. What else would you call it other than 'going for cheap'?

If the agreement is signed no matter what, it would mean that the principle of establishing DECA on firmer ground would have been foregone. The impression will arise that all the hue and cry was meant to grab a few more hundred millions of dollars. If that was our secret aim, too bad for us... But if our objective was settling the relationship on solid ground then the agreement should be maintained as it is, without renewing it. An argument could be made that postponing the renewal of DECA until late 88 has something to be said for it. We will touch upon aspects of this argument in our article tomorrow.

12466

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PRO, CONS OF EEC MEMBERSHIP DISCUSSED

Istanbul MILLIYET in Turkish 16 Nov 86 p 10

[Article by Hamit Batu, former ambassador]

[Text] Turkish-EEC relations, continuation of ties, and the question of full membership have been issues preoccupying the Turkish public lately. EEC membership has become a subject arousing mixed feelings -- hope one day, anxiety the next spiced with constant debate and discussion.

Subject to Fluctuations?

Does Turkey's EEC membership depend upon conjunctural fluctuations? Wouldn't it be better to decide the case at a higher level of permanence at the point where mutual interests of Turkey and EEC intersect?

One thing is clear though. The extreme sensitivity of the Turkish public over this issue will not strengthen our hand in the negotiations. No doubt the future of relations with Europe is a very important matter for Turkey. But isn't it important for Europe, too? Turkey also holds some ace cards in this game.

One might observe that Europe has always avoided severing special ties with Turkey, established within the framework of the EEC, and shunned attitudes that might lead to that; though at times it apparently sees no harm in suspending or 'freezing' these special ties. As everyone knows, political and geographic realities of present-day Europe makes Turkey an indispensable element in the power balance and in the defense of Western Europe. But since the defense of both Europe and Turkey is underwritten by the American nuclear umbrella, so long as Turkish-American defense cooperation lasts Europeans do not seem inclined to give high priority to Turkish-EEC relations.

While that may well be the case, Europeans have to keep in mind the possibility that the American interest in the defense of Europe might weaken some time in the future. Changing defense strategies resulting from technological developments, or the ever-present 'dissident' movements in America are potentialities that may yet force the Europeans to countenance the possibility that the relatively comfortable situation existing today may not last forever. In the event of a weakening of American interest in Europe, for whatever reason, Western European countries would have to establish closer ties with Turkey. And establishing new ties with a formerly excluded Turkey might not be all that easy! In the meantime, being excluded from Europe might give further stimulation to reactionary movements, seen to be rapidly gathering momentum lately. If these were to lead Turkey into seeking ties elsewhere it would be an alarming development from a European standpoint. We know well that Europe never lets these thoughts and anxieties out of its mind.

As for Turkey

Turkey cannot afford to ignore the internal problems of EEC, either, despite its political clout. EEC has problems of enlargement, internal contradictions and imbalances in its own socio-economic structure. Even if the application for membership can be submitted quite soon Turkey has to recognize that there is no way around the intermediate stages often involving long waiting periods. And EEC is quite capable of delaying the procedures as long as it wants to. Thus the difference between simply waiting outside and ringing the bell may not be all that great! One should also consider that an application, once made, can be subjected to the corrosive effects of delays, endangering healthy development of relations with Europe. And it may not be advisable simply from the viewpoint of being able to maintain a 'dignified' stance in our foreign policy.

Whether the application for full membership is made or not, and if a long waiting period seems inevitable, the first priority should be the improvement in our present associate status, to a level where our interests are better served. If our 'associate' status remains as weak and uncertain as it is during the waiting for full membership, an irrevocable breakdown might occur as a result of the mutual distancing.

This much the Europeans ought to concede: The extension of Europe to the South, and the 'nine' becoming the 'twelve' have created a situation affecting Turkey's membership to a significant extent. If Turkey is an extension of Southern Europe from a geopolitical point of view, its subjection to a different style of treatment compared to other Southern countries may produce harmful results in both the short and long terms.

Change of Attitude

Before everything else, our Community partners should change their attitude regarding Turkey and stop treating it as different from other 'EEC partners', and all that in the pursuit of petty gains. It would not be prudent and far-sighted for Europe to try and extricate itself from the responsibility of alleviating those situations damaging to our economy and political status, which can be attributed to our being left out of the EEC. During the long waiting period, whether it be customs tariffs or financial assistance, Turkey should be extended facilities designed to offset the advantages accruing to the newly-joined EEC countries, so that it is not left too far behind compared to the southern members.

Keeping Turkey, despite its political significance, out of political consultation among the EEC members is an illogical attitude full of drawbacks. It is true that there are meetings every 6 months at ministerial or senior diplomatic levels. But such meetings, which are at best information swaps and at worst public relations exercises. Turkey should be participating in the political councils of the EEC particularly when its interests are involved, or at least be able to express its viewpoint.

When faced with such demands the EEC members will probably point to the strict rules of the Community. But as we all know seemingly inflexible rules can be implemented in a very flexible manner, and EEC can behave very pragmatically indeed when it comes to its own problems. We might be excused if we expect similar pragmatism in the conduct of EEC-Turkey relations.

Conclusion

In the new, '12 member' order of the EEC Turkey has to position itself to prevent the decisions that might cause excessive economic and political damage to its interests. If this can be done the major drawbacks of the waiting period (for full membership) might be mitigated. In such a situation Turkey would not have to worry about not being able to keep pace with the process of European integration presumed by some to be proceeding swiftly. In actual fact, the tempo of integration does not look all that frightening!

12466

CSO: 3554/120

SYRIAN CLAIMS TO TURKISH PROVINCES ON MAP

Istanbul MILLIYET in Turkish 17 Nov 86 p 7

[Report by correspondent Togay Bayatli]

[Text] Damascus -- In every street corner it is possible to bump into either of the two sticky points in Turco-Syrian relations. On maps everywhere, Hatay is shown to be part of Syria whether it is the map you get from the tourism bureau or the map on brochures printed for the Mediterranean Games to be held next year. Electricity shortages, leading to 6-hour blackouts every day throughout Syria, are being blamed upon Turkey accused of reducing the flow of water.

On the question of maps I talked to the Syrian Minister of Information Yassin Ragouh. I showed him some of the maps. The conversation went like this:

[Question] Mr. Minister, are you aware of these maps?

[Answer] Yes, I am.

[Question] Do you think they are the products of error?

[Answer] I cannot say they are due to error.

[Question] Well, what is your opinion on the subject then?

Upon this last question the minister decided not to continue in English and asked for an interpreter so that the Director of Press and Communications Sabel Falhout, who was present, could understand what we are saying. Two Turkish-Arabic interpreters were found and our conversation resumed.

[Question] Well, Mr. Minister, what is your opinion concerning these maps?

[Answer] I cannot say anything about this subject. It is a diplomatic issue that concerns the foreign minister in particular. You might as well drop the subject, if you please.

The map issue was dropped there and then. But as far as the average Syrian is concerned the general feeling seems to be that Hatay and Iskenderun had been given to Turkey by the French without consulting the Syrians who view this as a fait accompli and have not accepted it.

High-ranking Syrian officials blame Turkey for slowing down the flow of Euphrates. They accuse Turkey of deliberately bringing this about. Presently there is a 6-hour blackout every day in all parts of Syria, including Damascus. Officials attribute this to the reduction in the flow of Euphrates, and they have brought the issue to the attention of our diplomatic representatives.

But is this the full story? The man in the street happens to like the Turks and thinks differently. The ones I spoke with would simply say, "Turks have never done us any harm," and dismiss the allegations. And there is a rumor making the rounds these days that the real culprit is lack of spare parts for the turbines of the hydro-electric station, rendering 6 of the 8 turbines out of commission.

12466
3554/118

COMMENTARY ACCUSES OZAL OF POLARIZING SOCIETY

Istanbul HURRIYET in Turkish 7 Jan 87 p 19

["In Politics" column by Coskun Kirca: "These Things Were not Supposed to Happen"]

[Text] Listen to Mr Turgut Ozal's call for brotherhood among Turkish citizens: "Quarreling does not lead any nation anywhere; it makes everyone miserable. Let us come together with affection. Let us not quarrel with anyone. There are people who come up with some new concoction every day. Do not pay attention to them. Those who say these things are stuck in the well. They are stuck deep in the muck. Let them stay there. Do not respond to them."

This was Mr Ozal's characteristic "echo response" to the President after he complained about excessive polemics in our society.

Where else in the world can you tarnish citizens sympathizing with your opponents as being "stuck deep in the muck" after urging them to "come together with affection"?

Where is the common sense in this? Where is the nicety in this? Where is the good will in this?

When you view some of your citizens with such contempt, how can you also look at them with affection? When you denigrate those who oppose you with such phrases, how can you do your job as the Prime Minister of a democratic regime with such little tolerance for others?

Because of centuries-old habits our nation already suffers from an acute disease of intolerance. That being the case, when you, as Prime Minister, sink to the level of that style, how can you prevent ordinary citizens from quarreling with each other? Are you not encouraging them to fight rather than love each other?

We have a new Constitution. We excluded some of our citizens from our politics because we thought that their failure to settle their disputes was the cause of all of our disasters. We said: "The old were bad, the new are good."

The result is exactly the opposite. The ranks of party activists always included people who adhered to the current Prime Minister's style. Such persons were never in short supply among Assembly deputies. But how many persons who have risen to the office of Turkey's Prime Minister have sunk to Turgut Ozal's low level of speech and behavior?

None. Then where is the progress?

I have never been one of those optimists who believe that human nature can be changed. Nor am I one of those pessimists who think that people become progressively worse. I only see that man has not changed in nature for centuries with his intelligence and stupidity, his goodness and evil, his beauty and ugliness, his virtues and greeds. Had he changed, today Eschyle, Shakespeare, Racine, Moliere, Dickens and Balzac would not be able to communicate with all of humanity with their works; they would simply pass as interesting examples of social and anthropological studies.

It is true: Human nature does not change.

But is it not possible to display human nature in less crude and less violent ways? Is it not possible to expose anger and greed more gracefully, more softly and more elegantly?

Of course, it is possible. It is this refinement--not just advanced technology--that is known as civilization.

But that requires good manners and good breeding. It needs training from a very early age.

Let us also not forget the following: In the past 4 years the 1982 Constitution should have proven to our nation that our political life cannot be reformed with bans and prohibitions. Since we cannot rid our society of crudeness and violence over a short period of time, let us create the institutions which will prevent the boors and the aggressive from harming our society.

9588

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CONSTITUTIONAL EXPERT QUESTIONS 'OFFICIAL IDEOLOGY'

Istanbul MILLIYET in Turkish 7 Jan 87 p 2

["Angle" column by Professor Mumtaz Soysal: "Official Ideology"]

[Text] The Turkish Republic has an official ideology.

The ideology is not the Ataturkism which the Constitution stipulates, which the President frequently speaks about and which the schools seem to be teaching. The official ideology is the ideology of the organization known as the Intellectuals' Hearth. That is the dominant ideology.

To say that an ideology is an official ideology means that the state genuinely propagates that ideology, that that ideology is truly reflected in all the decisions of the state organs and that that ideology is voiced over the state-owned media.

But the ideology which is taught as "national history" and "national geography" in textbooks, which is reflected in government decisions on issues ranging from the problems of overseas workers to the establishment of the "Poor Fund" and which appears on television screens in the form of occasional programs on a "great Turk of the past," panel discussions and "religious and moral talks" is not the Ataturkism which the Constitution stipulates, which the President frequently speaks about and which is supposedly taught in schools.

The real official ideology, which is sometimes described as the "Turkish-Islamic synthesis" and which now dominates the government, is a strange mixture of concepts which, in their essence, contradict each other.

An Islamism advocating a monoreligionist nation mixed with a nationalism which smacks of "Central Asianism."

A pro-Americanism stemming from anticommunism mixed with an anti-Westernism resulting from alienation with Christianity and Judaism.

An admiration for technology inspired by the Japanese model mixed with a literature of "moral values" which virtually amounts to mysticism.

One can enumerate many more such contradictions.

The fact is that despite all its contradictions--perhaps because of them--this ideology is found attractive by many people who are searching for ideas to hold on to.

Particularly by young engineer cadres who can get things done and who have been given the opportunity to become the government.

But these days the primary driving force behind this mixture is the cadres of the "nationalist movement" who have made a major change in their tactics and have jumped on the "Islamic" bandwagon. This is the primary reason the turban controversy--which has turned into a mess because of wrong attitudes--is slowly turning into acts which carry a potential for violence.

Is there not anything right in this ideology? As in all syntheses, one may find something right about this one as well. These thoughts, too, must be spoken and written to enable Turkey to rid itself of its identity crisis and find its soul.

But if these ideas are treated as an official ideology and are printed in textbooks, if they are taught in "History of Reform" courses which have no relation to the concept of reform, if they are sneakily inserted in radio and television programs on every topic ranging from Abdulhamit to Mehmet Akif and if the people who are indoctrinated with these ideas are instigated to take certain actions, then the issue must be viewed as something beyond an ideological movement and as part of a plan to take over the state.

This means that the result of the tedious awareness campaign we waged to "instill" Ataturkism in the younger generations as official ideology is an ideology that is diametrically opposed to Ataturkism.

Had we realized that the positivism which should form the basis of the Turkish Republic rejects any form of indoctrination and needs free-thinking people who are emancipated from molds of coercion, we would not have reached this point.

That is why the way to save Turkey again is to give up the idea of instilling any type of official ideology and to train free-minded people who can think well.

9588
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TOKER ON CHURCH-STATE ISSUE

Istanbul MILLIYET in Turkish 7 Jan 87 p 8

["From Metin Toker's Notebook" column by Metin Toker: "The Answer to the Question 'Modern Society or Democracy?' is 'Modern Society'"]

[Text] The turban controversy has reached a point which justifies the adage "There is a silver lining to every cloud."

A politician asks with interest:

"How much longer will Turkey have to protect by legislation reforms introduced 50 to 60 years ago?"

The answer to that question is extremely simple: It will have to do so as long as there are politicians who think like you.

According to this person--[former Prime Minister Suleyman] Demirel--who considers himself "an intellectual" and "an enlightened politician," Ataturk did not set up a secular republic. As proof of that claim he reads a paper dated 21 April 1920 from Ataturk's Great Speech on the occasion of the inauguration of the Turkish Grand National Assembly. Then he takes his own position. He says: If the establishment of the Turkish Republic is wrong, then that is another matter. The Turkish Republic was a religious state at its inception. Its constitution which was in effect until 1928 said that "the religion of the state is Islam." In 1928, the phrase "its religion is Islam" was deleted. But the term "secular" was not used. The term "secular" was introduced in 1937.

According to this "intellectual and enlightened politician," "the Turkish Republic is not a secular state. Because Article 24 of the Turkish Constitution [of 1982] makes religious education mandatory. Moreover, the Religious Affairs Chairmanship is part of the government apparatus. It is an agency of the government. The relationship of the Turkish Republic with religion must be understood well. If you are going to claim that secularism is violated whenever someone mentions religion, the Turkish Republic is not a secular state."

If this "intellectual and enlightened politician" can become the prime minister of Turkey with this concept and interpretation of secularism, should not the reform laws be safeguarded by the Constitution for another 50 or 60 years?

One cannot read one part of Ataturk's Great Speech and ignore other parts. Ataturk states from the outset of that speech that the social system he has in mind is "a secular republic on a par with modern civilization." But saying that at that time would jeopardize the unity around the National Struggle. Ataturk "had to keep this goal in his heart as a national secret and to make society endorse it gradually."

Ataturk does not claim that reforms may be carried out in a democratic environment. On the contrary, in his Great Speech he states that most of these reforms were put in place during the time the Establishment of Public Order Law was in effect. He says:

"We would still do it if this law had not been in effect. But if anyone says that the presence of the law helped this program he would be right. It is a fact that the existence of the Public Order Law prevented some reactionaries from poisoning the nation extensively."

Ataturk recalls that the feelings of reactionarism and fanaticism fanned on public forums by Bursa Deputy Nureddin Pasa--who argued that the hat reform is "an act against basic rights, national sovereignty and individual freedoms" just like today's arguments over the turban issue--were quelled when just a few reactionaries were made to reckon for their acts before Liberty Courts. Ataturk states that the dervish lodges and the shrines were also closed during the time the Public Order Law was in effect and says: "Our new laws which have produced successful results in our nation's social, economic and all contemporary affairs and relations as well as the Civil Law which safeguards the rights and freedoms of women and strengthens family life were also enacted during that period." Ataturk then states the unchanging principle of Ataturkism: "We use every means on the basis of one basic view. That view is: To elevate the Turkish nation to the level it deserves in the modern world and to strengthen the Turkish Republic on its unshakable foundations." Outside these, everything is a means and not a goal.

It is evident that the definitive answer to the question "modern society or democracy?" is "modern society on a par with Western civilization."

In fact there is neither a problem nor a question with regard to "modern society on a par with Western civilization or democracy?" Because democracy is the ultimate product of such a society. We thought that after two failed attempts which were immediately exploited to instigate reactionarism and fanaticism we succeeded to achieve such a society on our third attempt. Because "ugly politicians" were never so irreverent as to dismiss the Turkish Republic as a state, to ask the Religious Affairs Chairmanship for fatwas [legal opinion] and to try to incite the people by saying: "You are not the only generation who has been subjected to contempt and mistreatment. We too were suffered the same grief many years ago. We fought along the same paths

and arrived at certain points. You too will struggle and after your struggle perhaps certain definite attitudes will emerge." This is the legacy of the Motherland Party government to the nation.

In our modern society which is on a par with Western civilization no generation has ever been subjected to contempt and mistreatment--particularly for covering their heads. But there have been some unfortunate people at home and abroad who have attempted to exploit them. It these people who are showing their teeth today. Politicians burning with greed are prepared to deal with the devil himself in order to "embarrass" their opponents. It is these people who are attempting to turn the turban issue into an issue of faith. Everyone knows that if they can get away with "turbans in universities" turbaned female judges in courts, turbaned policewomen and then chadors and veils and finally a "Khomeyni-style Turkey" will follow.

But the "Ataturkist forces" the President referred to in his New Year's speech will prevent that this time as well.

"An intellectual and enlightened politician" asks again:

"Who are these Ataturkist forces? Who do they take their orders from? Where do their instructions come from?"

Those Ataturkist forces are the forces that politician saw from his window on the morning of 12 September 1980. He is late to ask the other questions because he could have learned the answers from the people who came to take him away. He was the prime minister then and he had all the authority. He could have dismissed anyone he wanted; he could have court martialed anyone he wanted.

But he could not even raise his little finger.

9588
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EDITORIAL EXAMINES RELIGIOUS AFFAIRS CHAIRMANSHIP ROLE

Istanbul MILLIYET in Turkish 7 Jan 87 p 1

[Editorial: "Religious Affairs"]

[Text] When governments draft constitutions and laws, they draft them as if they would stay in power forever. They always try to give the government control over areas they consider important.

That is what happened on the issue of "secularism." This principle was established by Ataturk. In its most general sense, secularism envisaged to separate religious affairs from state affairs. Theoretically, once that principle was established religion could not interfere in state affairs and, conversely, the state could not interfere in religious affairs.

However, there were also certain realities during that period. The state took on certain functions with regard to religious affairs not so much to control religious activities but to ensure that religious activities remain within the bounds of the principle of secularism. This is why the "Religious Affairs Chairmanship [RAC]," affiliated with the Prime Minister's Office, was established to replace the "Shariah [Koranic law] Trusteeship" which was abolished in 1924, and the principle of secularism was included in the Constitution in 1931. Otherwise, the principle would theoretically permit men of religion to organize themselves in accordance with their own traditions.

But this was not something that could happen in a society shaped for centuries by the "sultanate-caliphate system" and the "unity of state and religion." It needed time. And during that time the state would fill the voids that could emerge in this area.

This "new order" was implemented for many years in accordance with the intentions of its founders. During Ataturk's presidency until 1938 and Ismet Inonu's presidency until 1950, the RAC acted as the state's agent for implementing its policy of secularism.

During that time, whenever some harsh criticism was raised from any part of our country in connection with any requirement of our religion, the first institution it came across was the RAC. It was the RAC which first explained to the people that Muslims are accountable to no one but God in their worship,

that prayers can be said in Turkish, that women do not have to cover their heads and that it would be more beneficial to donate the hides of sacrificed animals to the Turkish Air League.

In other words, the RAC operated in accordance with the concept of "secularism" of those who first institutionalized it within the government apparatus.

This is how everything worked until 1950. Then, of course, governments began to change. And because each government had a different interpretation of "secularism" perceptions began to change in the RAC as well.

In time, this agency which was established in conjunction with the Republic's principle of secularism to implement that principle became a life buoy for those who wanted to weaken that principle.

That is clearly the case today. The deputy leader of the Motherland Party who appears to have assumed the leadership of the campaign that is being waged under the turban banner can count the RAC among his allies in his campaign. He says: "Let us consult the RAC on this issue." As Teoman Erel stated, he is relying on the RAC.

The changing of governments is a necessary part of democracy. But the RAC was born with the Republic's principle of secularism and its *raison d'etre* is to implement that principle. The RAC's habit of changing its perceptions depending on the government in power appears to be one of the weaknesses of our regime.

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IRANIAN INFLUENCE IN MIDDLE EAST VIEWED WITH CONCERN

Istanbul TERCUMAN in Turkish 7 Jan 87 p 4

["Commentary" column by Professor Fahir Armaoglu: "Iran and the Middle East"]

[Text] The installment of the Khomeyni regime in Iran following the overthrow of the Shah in February 1979 may continue to affect the entire Middle East, including Turkey, for some time. Most importantly, this event has made the "religion factor" the most active element of politics in the Middle East. The most notable aspect of this development is that in making the religion factor a political tool, Iran has targeted not only its adversaries but also countries with which it has friendly and close relations.

An article entitled "The Green Book Versus the Koran" in the 30 December edition of the daily LE MONDE states that religion has begun to gain dominance among the people because the "third theory" Qadhafi espouses in his "Green Book" is no longer satisfying for the people and that the Iranian-backed organization "Hezbollah" has played an active role in this development. According to the said article, a member of Hezbollah killed a member of a "Revolutionary Committee" in Benghazi last October. On the night of 14 November, when the Night of Power was being celebrated in the mosques, bombs reportedly went off in Tripoli. According to the article, these developments so concerned the Libyan government that it closed 48 Islamic institutes in October, revolutionary committees took over the mosques, and a replacement has still not been named for Chief Mufti of Libya who died last August. The author of the article says that the purpose of this religious turbulence is to replace Qadhafi's "third theory" with Koran's "fourth theory."

Going back to the years immediately after 1979, we recall that in 1982 a major rebellion organized by the "Muslim Brotherhood" began in Hama, Syria, in 1982. The Hafiz al-Assad regime suppressed this rebellion with much bloodshed; the city was shelled with tanks and artillery resulting in the death of tens of thousands of people.

We recall that in Egypt clashes occurred between Christians and members of the fanatical religious group known as the "Muslim Brotherhood" in 1981 and that Egyptian President Anwar as-Sadat was assassinated by soldiers affiliated with the Muslim Brotherhood on 6 October 1981.

The Muslim Brotherhood, which was born in Egypt (it was formed in 1929), has not spared President Husni Mubarak. The riots that occurred in Cairo in February 1986 with the participation of gendarme troops resulted in the death of 36 people and the injury of more than 300 people. We recall that the rebels attacked the prison where Muslim Brotherhood members were jailed and set them free and vandalized casinos and entertainment places.

Meanwhile, Lebanon remains in a state of complete chaos. Clashes between ethnic groups has turned into a full-scale sectarian conflict, and it appears that today the dominant power in that country is not Syria but the Shiite Amal organization and the Iranian-backed Hezbollah.

It would be no revelation of secrets to say that Iran has engaged in widespread and extensive activities in Turkey after 1979. When we view the issue in the context of the Middle East, we believe that all these activities and developments must keep Turkey on the alert.

9588

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RELIGIOUS AFFAIRS BUDGET EXCEEDS OTHER MINISTRIES

Istanbul DUNYA in Turkish 17 Nov 86 pp 1, 11

[Text] In the budget proposal for the financial year 87, the budget of the Office of Religious Affairs (ORA) exceeds that of the Prime Ministry, some of the ministries and quite a few organisations. The budget bill appropriates more money to ORA than to the Prime Ministry, and to the Ministries of Transportation, Interior, Labor and Social Security, Industry and Trade, Energy and Resources, Culture and Tourism.

In the 87 Budget Bill, the ORA budget comes 12th with TL 67 billion 132 million, a 46 percent increase from last year. Of this figure TL 63 billion 111 million goes to current expenditures, TL 2 billion 980 million to investment expenditures, and TL 1 billion 41 million is slated for transfers.

Compared to the TL 67.1 billion ORA budget, the 87 budget of the Prime Ministry is TL 66 billion 243 million, that of Ministry of Culture and Tourism: TL 61 billion 304 million, Industry and Trade: TL 44 billion 367 million, Energy and Resources: TL 43 billion 222 million, Transportation: TL 32 billion 387 million, Interior: TL 29 billion 894 million, Labor and Social Security: TL 11 billion 509 million.

Apart from the Ministries, the ORA budget tops the budgets of many other state organisations among which are:

General Assembly: TL 27 billion 14 million, The Presidency: TL 1 billion 610 million, State Planning Organisation: TL 27 billion 929 million, State Auditing Office: TL 9 billion 812 million, Constitutional Court: TL 1 billion 411 million, Directorate General of the Mint and Official Seals: TL 1 billion 523 million, State Institute of Statistics: TL 5 billion 493 million, Directorate General of Land Registry and Surveying: TL 27 billion 341 million, Directorate General of Meteorological Affairs: TL 10 billion 905 million, Coast Guard Command: TL 11 billion 412 million.

CAMPAIGN TO PREVENT INTERMARRIAGE INTENSIFIES

Istanbul MILLIYET in Turkish 16 Dec 87 pp 2, 11

[Article by M. Kemal Aycicek: "Focus on Intermarriage"]

[Text] Trabzon--Assistant Professor Dr Asiye Nuhoglu, Head of the Department of Child Care and Maternity, School of Medicine, Black Sea University, said intermarriages were most frequent in the eastern Black Sea area. Nuhoglu said that 26.04 percent of marriages in the area were determined to be between relatives and added, "Therefore, a very high number of children in the region are either physically or mentally handicapped."

Noting that in the world the rate of defects due to intermarriage is 1 in 10,000-20,000, Assistant Professor Nuhoglu said, "In a study done in Ankara, Professor Ozalp and his colleagues found that in our country this rate is 1 in every 1,800. In the eastern Black Sea area 2,600 children in every 20,000 are the product of intermarriage between relatives and a majority of them are physically or mentally handicapped. In lay terms they are cripples. We are pleased to see that the many years of effort whose first aim is to prevent intermarriage is producing results. However, it is impossible to prevent it totally. Therefore, I appeal to intermarried families. They must have their newborn babies tested within the first month."

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RELIGIOUS ISSUE INVOLVES TGNA, CONSTITUTIONAL COURT

Istanbul MILLIYET in Turkish 16 Dec 86 pp 3, 11

[Text] Milliyet News Center--While debate continues about whether fundamentalism exists, a group in Gaziantep got together a petition with 30,000 signatures, held a demonstration and distributed leaflets protesting the decision of the independent and neutral Constitutional Court of the secular Republic of Turkey to annul the law which includes "the punishment of blasphemy against God and sacred things."

And, in Istanbul, an anonymous "Islamic decree" was sent to some citizens. It stated, "If we want to practice Islam and assure its survival, God will grant us success."

Protesting the Constitutional Court

According to a report by Gaziantep correspondent Atilla Karaduman, a group protesting the decision of the Constitutional Court to annul the law on punishment of blasphemy against "God and sacred things," showed the petition with 30,000 signatures to the public.

Six people were detained for violation of the Law of Assembly and Demonstration.

The signatories, who assembled at the Gaziantep Veterans Memorial and whose leaders have not yet been identified, protested the Constitutional Court's annulment decision and distributed leaflets. From the group of 40 who spread the petition, reported to have 30,000 signatures, around the Veterans Memorial, one individual identified as Ahmet Bilal and as an independent professional gave a speech and said that letters had been sent to President Kenan Evren, Prime Minister Turgut Ozal, the Constitutional Court, the speaker of the Turkish Grand National Assembly, the minister of interior, justice and national education, youth and sports, Ministers of State Hasan Celal Guzel and Vehbi Dincerler, the Turkish Radio and Television Administration and the press.

The leaflets distributed by people claiming to have gathered the signatures from six or seven districts of Gaziantep within a short period of time stated, "The law which was passed by publicly elected officers and which requires punishing those who curse God and sacred concepts is being annulled by the

Constitutional Court. Despite the Law for the Protection of Children from Detrimental Publications, pornographic publications like newspapers exhibit people posing in bathroom clothes and ignore this vulgarity." The leaflets further continued with these views:

"Can the persons known to label religious patriots as reactionaries and shout that there is a threat of fundamentalism point to anyone among these traitors to the fatherland who is religious and believes in one God? The real friends of this state are the sincerely religious who say yes to its armies and government leaders. These people view trusting the Islamic religion and the head of state as an act of worship. The nation is sufficiently intelligent and cognizant to reject the Iranian type of religion as wrong and as being against the spirit of our Koran."

The Mayor of Gaziantep, Abdulkadir Aksu, said that no permission had been granted for collecting signatures and demonstrating at the Gaziantep Veterans Memorial and that the leaflets had been sent to the District Attorney's office for investigation of the possibility of an element of guilt.

In Istanbul, an anonymous "Islamic decree" is being sent to some citizens. The two-page decree, beginning with "In the name of God," continues, "If we want to practice Islam and assure its survival, God will grant us success."

According to the INFORMATION SERVICE report, the decree states, "The Sultanate was the establishment of a mystic rule over people," and continues, "and there were sultans who enthroned themselves in people's hearts by appealing to their religious feelings."

Foundation Dormitory Incident

Upon the news report published in MILLIYET that Faith Training Dormitory would become a Koran school, Social Democratic Populist Party Deputy Bahriye Ucok from Ordu sent an inquiry motion to the speaker of the Turkish Grand National Assembly demanding a reply from Turgut Ozal.

In the motion Ucok asked if it was true that the dormitory was vacated by the order of the Council of Ministers, and if true what the plans were for the use of the dormitory.

Meanwhile, General Director of Foundations, Dr Leyla Elbruz stated that a foundation student dormitory would be established at the aforementioned site and that a Koran school was not in question.

Three Arrests

At a press conference yesterday, Eskisehir Mayor Hanefi Demirkol announced that Akif Sancar, the director of the Foundation for Aid to Scholarship Students, Mehmet Gursoy, foundation president, and Yasar Cakmak, vice president, were arrested by court order when it was determined that they were illegally collecting sacrificial sheep skins in Sakariilica, a village in Saricakaya District.

Mayor Demirkol noted the conclusion of the investigation of Yucel Tanberk, Resat Belli Elementary School teacher who attended the ceremony of the 29 October Declaration of the Turkish Republic Holiday wearing a head scarf, and said, "This teacher was penalized with a cut in salary; the principal and assistant principals were reprimanded." Demirkol also announced that store owners hanging photographs of nude women in their store windows had received anonymous letters, and reported that investigations into the incident were continuing. The letter reads, "We are warning you for the last time; it will be in your interest to take down the photographs."

12876/9738

CSO: 3554/160

COMMENTARY SEES UNCONSTITUTIONALITY OF OZAL RELIGIOUS MOVES

Istanbul MILLIYET in Turkish 14-16 Dec 86

[Article by Metin Toker in the column "From the Diary of Metin Toker:"
"Secularism and Fundamentalism"]

[Excerpt] Laws of Reform

Ataturk began his second war right after concluding the first. The first step taken toward this end was the "separation of the Sultanate from the Caliphate and the abolition of the Sultanate" just 3 weeks after the signing of the Mudanya Armistice. Two and a half months after Lausanne, Ankara became the capitol. Three months later the Republic was declared. Ataturk was in a hurry. He knew how he would have to struggle with resistance at every step. In his "Great Speech" he says:

"The practical and sure path to success was to implement each stage in its turn. Periodically, however, this practical and sure path has been the cause and manifestation of basic or secondary misunderstandings, resentment, and even divisions as regards ideology, attitudes and implementation of the work undertaken between persons known as my close colleagues and myself. Some of the people who started out with me on the road to the National Struggle have reached the limit of comprehension in their own intellectual and spiritual capabilities in the development of national life, extending to today's Republic and the laws of the Republic, and have joined the resistance and opposition against me."

What were these "laws of the Republic"? These are eight laws, in the order of the dates they became law, in article 174 of the Constitution under the title "Protection of the Reform Laws."

- 1 - Universal Education Law.
- 2 - The Law Concerning the Wearing of Hats
- 3 - The Law Closing Dervish Lodges, Hermit Cells and Mausoleums and Banning Mausoleum Officers and Certain Titles.

- 4 - The Civil Marriage Rule, approved under the Turkish Civil Code, stating that marriage ceremonies are to be performed in front of a Marriage Official and Article 110 of the same Code.
- 5 - The Law Approving the International Number System.
- 6 - The Law Approving the Use of the Turkish Alphabet.
- 7 - The Law Abolishing Appellations and Titles such as Efendi, Bey, and Pasha.
- 8 - The Law Abolishing the Wearing of Certain Costumes.

Since article 4 of the Constitution states that "the provision article 1 of the Constitution to the effect that the form of state is a Republic and the nature of the Republic in article 2 and the provisions of article 3 cannot be changed or proposed to be changed," the laws separating the Caliphate from the Sultanate, abolishing the Caliphate and expelling the Ottoman Dynasty from the borders of the Turkish Republic were not included in article 174. Article 174 states that these eight laws cannot be perceived or interpreted as being unconstitutional.

Hence, this law is guaranteed by the Constitution and there is no danger to the reform laws; or is there?

First, some of them, like the Universal Education Law, can be attacked from below and virtually gutted. Actually, if Ozal, for example, just invalidates articles 4 and 174 through "201 + referendum," won't the ten reform laws become as if they were written on ice?

Certainly, if society permits it. Currently, effort is being made to create such a society; this is what fundamentalism really is, this is why secularism is in danger. Not seeing this is negligence and apathy. Pretending not to see it is treason.

12816/9738
CSO: 3554/160

HEADCOVER ISSUE SPARKS DISCUSSION, CONTROVERSY

Letters View 'Real Issue'

Istanbul MILLIYET in Turkish 7 Jan 87 p 10

[Text] The "turban" controversy which unexpectedly became a major issue on Turkey's agenda is continuing. The President, the Prime Minister, the Chairman of the Higher Education Council, political party leaders and various organizations have expressed their views on this issue. The users of the "turbans" also talked to MILLIYET.

Below we present in summary the views of our readers who wrote to our "Reader's Turn" service:

Is Turban the Issue?

When the arguments over the turban issue are carefully examined an important question emerges: Is the issue that is being debated really the turban?

In my opinion it is not. The real issue in these debates concerns Ataturk's reforms and "secularism" which is the most important basis of those reforms.

The opponents of reform want to undermine the principle of "secularism" by using the turban as a pretext. If the "proponents of turbans" emerge victorious from this controversy they will have won the first round of the battle and they will prepare for the second round.

As a nation we must be very sensitive about Ataturk's reforms.

Aydin Ozturk, Eminonu.

Turban Wearers Exploited

The declaration of our young women who wish to wear turbans to the effect that "we will continue our struggle on this path" deserves attention.

What difference does it make whether they do or do not wear turbans while studying in universities? Is this such a vital issue?

Naturally it is not. But there are circles who instigating these young women. They are being pushed into battle at their youthful age without understanding the importance of the matter. They are being exploited by the interests behind the turban controversy.

Hasan Tuzlu, Fatih

What Does Kececiler Want to Do?

The stance of Motherland Party deputy leader Mehmet Kececiler on the turban issue has upset and raised doubts among all of us.

It is dismaying to hear that one of the most authoritative spokesmen of the ruling party in Ataturk's republic supports the view of the Religious Affairs Chairmanship with regard to the issuance of fatwas [legal opinions].

Kececiler must stop beating around the bush. We want to know what he intends to do.

Ahmet Sisman, Kadikoy

Turban Controversy Turned Into Action

The controversy over the turban issue has turned into acts of protest. That was in fact the goal of certain circles. Indeed, this view is confirmed by telegrams sent from several parts of Turkey to pertinent authorities stating that "they support the wearing of turbans."

An effort is under way to give an innocent appearance to the issue. The goal is to make the majority of the nation say "what need is there to argue over turbans?" When the majority of the nation begins to think that way, Ataturk's reforms will have been compromised and the reactionary movement will have won a major victory.

It is wrong to view the turban controversy as a debate over the "dress code."

Ersin Yilmaz, Bakirkoy

British MP on Individual Freedoms

Istanbul TERCUMAN in Turkish 7 Jan 87 p 9

[Nursun Erel report]

[Excerpts] Ankara--Responding to the TERCUMAN correspondent's questions, British parliamentarian Richard Balfe, a socialist member of the European Parliament, said that it is "very natural" for Europeans to take a close

interest in democratic standards in Turkey and continued: "Turkey is both a close friend and, by virtue of NATO, an important ally of the European community. In a friendly relationship we consider so important we should naturally be closely interested in the status of our friend. For us Turkey is not just any Middle Eastern country."

Turban Issue

In view of his "extreme sensitivity to human rights" we could not help asking Balfe his views on the issue of "the turban which has recently caused a major controversy in Turkey." Citing an incident in Britain as an example, Balfe said:

"Governments may occasionally face questions which have more than one answer. For example, some time ago a similar controversy arose in Britain. As you know Indians of Sikh faith dress in a special way by virtue of their religious beliefs and wear a special turban on their heads. Their way of dress is not a problem. However, when riding motorcycles they were supposed to obey certain regulations. British laws require all operators of motorcycles to wear helmets. The Sikhs vigorously opposed wearing helmets because of their religious beliefs. Eventually, we were forced to change our laws and exempted them from the requirement to wear helmets to accommodate their religious beliefs.

"As for the controversy in Turkey, from a perspective of human rights this is obviously an issue of individual freedoms. However, the issue has another aspect. Since Turkey wants to become part of the West, it will probably not look to the East and use the cultural values of that side as a model. Moreover, I think that this issue must be dealt with carefully from a standpoint of Turkey's image in the West."

Editorial Views Results of Policy

Istanbul CUMHURIYET in Turkish 7 Jan 87 pp 1,8

[Editorial by Hasan Cemal: "The Turban and Beyond"]

[Text] Abdurrahman Dilipak, a MILLI GAZETE columnist, says:

"We cannot explain Islam with democracy, liberalism or rationalism. Islam is not democratic. Nor is it rationalist. Islam has its own values and standards... Religion in general does not involve coercion; but coercion exists in Islam. If a person signs his name to a contract and he does not comply with the terms of the contract, then he is punished. If a person says he is a Muslim, then he must give 1/40 his income to the poor. This is being obfuscated. For example, a Muslim woman cannot go around with her head uncovered. If she does, then you punish her. A person who says he is a Muslim cannot eat during a fast. Any child can renounce his or her religion when he or she is 18. But when a person renounces his or her religion after the specified period expires then he is put to death---that is, the punishment of death is possible by law. Such a person must be excommunicated from

Islamic society... After the 1960 revolution, Muslims realized that they are not rightists. Until 1960, I was a rightist; later I came to understand my religion. After 1980, sects resumed running morality schools and forming congregations. In the process, they have been subjected to intense pressure and assaults. If they just count their prayer beads, nobody would care. In fact, that is what the Republic wants. But if I act in accordance with my beliefs and if I transform them into political preferences, then I am subjected to repression. Today, I am permitted to do anything that is mandated by my self-interests; but if I want to do anything because it is God's will then I may be convicted on the basis of Article 163 [of the Turkish Penal Code]." (YENI GUNDEM, No. 43, pp 16-17)

The article expresses these views on Islam in extremely candid terms. The fact that Islam is not connected with either democracy or liberalism or rationalism is correctly emphasized. Stating that Islam is not "democratic," the article says: "For example, the Muslim woman cannot go around with her head uncovered. If she does, then you punish her." The belief is expressed that the Koran shows the way in life. The article notes that when behavior stemming from such beliefs "turns into political preferences" government repression may result and continues: "If I want to do anything because it is God's will then I may be convicted on the basis of Article 163."

We are categorically opposed to these beliefs and views, but we also respect them. We believe that fighting to the end for our world view is a requirement of progressivism. However, as part of our concept of democracy, we also think that we should oppose the repression and imprisonment of people solely because of their beliefs and views. Ideas must compete freely. No one must be subjected to force because of his ideas. All political movements which denounce violence and which endorse the basic principles of Western democracy must be able to organize and to compete for votes at the balloting box.

However, if one tries to make the concept of "a Muslim woman cannot go around with her head uncovered; if she does you punish her" a basic rule of the political and social order, then we will be left with neither individual rights nor democracy. This fact must also be never forgotten.

In this country, going around with one's head uncovered is and should be as permissible as wearing a turban or a headcover. If one wishes one may wear a full mustache or one may wear a more contemporary half mustache as Mr Necmettin Erbakan does. Some may wear a short and thick beard, while others may see the chin of "reactionarism" hiding behind that short and thick beard.

All these are permissible.

From this perspective, we do not find anything objectionable about some female students wearing turbans or headcovers in classrooms in universities or higher technical schools. It may be that they are doing that as a political act or, as one dean described it, they may be giving "ideological signals." We also do not object to the establishment of reasonable rules based on one or another standard for dress codes in public places. But we are concerned that the bans on turbans can in fact benefit certain forces hiding in the background.

Using Ilhan Selcuk's well-justified phrase, the turban is the "dot on the top of the letter j." We believe that the uproar that has been created on this issue must be enormously pleasing to the dark forces who want to infuse real "reactionarism" into the political and social system.

Today, the debate is about whether some girls must be allowed to enter classes wearing turbans. Let us please be serious; because the essence of the issue is far more different.

Those who fully understand Ataturk's reforms are more concerned about the rise of antiseccular forces within the government. They are concerned about the consolidation of an antiseccular infrastructure in education and training. They have seen how the number of Koranic courses and Islamic seminaries has grown beyond need as part of government policy. They are still grieved by the blow the 1982 Constitution has dealt to secularism by mandating religion classes in elementary and middle schools. They watch with anxiety the erosion of the secularist concept which once dominated textbooks in elementary and middle schools. They are also well aware of the antiseccular broadcasts carried by the state-owned radio and television.

You ignore the violation of the principle of secularism in the government's national education policy. You tolerate the expansion of Islamic movements out of your own political interests. You believe that by doing these you are "blocking the left." After doing all that you go out and clamor: "You cannot enter classes with turbans; secularism is being lost."

They would only laugh at you.

Commentary Warns of Rights Erosion

Istanbul GUNAYDIN in Turkish 7 Jan 87 p 6

["Cauldron" column by Necati Zincirkiran: "Women Wake Up!"]

[Text] On my return trip from Europe last year, two Iranian women sat next to me on the airplane. As we approached Istanbul, they went to the bathroom and returned wearing black overgarments. I asked one of them who spoke Turkish:

"Why did you do that?"

She replied: "We cannot go to Iran with our heads uncovered and wearing dresses. We are going to transfer to an Iranian plane at Istanbul airport to fly to Tehran. They would kill us on the plane."

The Khomeyni regime forces--by legislation--Iranian women to wear veils known as "chadors." It also bars men from wearing ties.

At one time Hitler manifested his social power by parading his SA and SS militia groups dressed in brown shirts and decorated with swastikas which terrorized everybody.

The "Black Shirts" performed the same function in Mussolini's Italy. For a time, our leftists wore "Stalin mustaches" while our rightists sported "crescent mustaches."

A person's mode of dress is not only a fashion statement, but also a political tool used to convey a social message and a means of propaganda to ensure visibility and to attract attention.

Movements which want to bring about a change of regime try to put their stamp on the streets by wearing their own unique clothing. Today, the "turban," which has been the subject of intense controversy in Turkey, and the grey and beige ankle-length overcoats are garments worn with this purpose. They are virtually uniforms--the uniforms of those who want to change the political system and the social order in accordance with the political and social preferences they are for the moment hiding in their narrow minds.

The true Turkish mother and Turkish woman does not harbor the concept of covering herself. The veil was not our invention. That custom is not practiced even in the villages of Anatolia.

We have been touring the world for years. We went as far as the Altay Mountains and observed the Turkish communities living there. Neither the Uigur nor the Kazakh nor the Kirghiz nor the Tartar nor the Uzbek nor the Turkmen women cover themselves in that manner. They, too, are Muslims. They, too, read the Koran as their holy book. They, too, are Turks devoted to their religion--just like us.

Why do they not wear turbans? Why do they not cover themselves down to their ankles?

Ataturk gave equality to the Turkish women. He gave them the right to elect, to be elected, to work in government jobs and to become judges, teachers, doctors, diplomats and engineers just like men. The rights women enjoy in Turkey are nonexistent in other near and distant Islamic countries.

Unfortunately our women are not fully aware of the sacredness of this right accorded to them.

The movement and campaign for self-covering--known as "concealment"--is a heavy blow struck against women's rights in Turkey. People are virtually being pressured to accept inequality. Having turned women's covers into a banner, reactionarism is intent on knocking down the secular foundation of the republic which makes no distinction between men and women. This movement may go as far as allowing men to marry up to four women.

And our women are still in deep sleep. Perhaps they will wake up when, like the women in Iran, they are attacked for "dressing too immodestly."

Demirel 'Restricted,' Neutral

Istanbul TERCUMAN in Turkish 7 Jan 87 p 9

[Text] Students with headcovers are continuing their efforts to rally support. This time the students visited [former Prime Minister Suleyman] Demirel. According to the information obtained, Demirel told the students during the private meeting that his support could harm the students because he is a banned politician. Demirel advised the students to make clear that their movement is neither political nor ideological and to always seek their rights by legal means. Demirel added that he is restricted to within four walls and that it would be hard for him to help the students in his predicament.

CSO: 3554/164

VERHOFSTADT PROPOSES TIMETABLE FOR PRIVATIZATION

Brussels LE SOIR in French 12 Mar 87 p 2

[Article by Guy Duplat]

[Text] Guy Verhofstadt, vice prime minister and minister of the budget, is definitely consistent. It was 4 years ago that he proposed the idea of privatizing a number of public enterprises, following the English, Japanese and now French examples. It was thought at the time that the proposals were the neo-liberal hallucinations of a young party president. However, once vice prime minister, he "backslid," bringing up the possibility of opening up the capital of national enterprises to the private sector whenever he had the opportunity to do so. This was so for ideological reasons (the government must be reduced to the minimum) but budgetary considerations as well, inasmuch as the proceeds from privatizations could absorb part of the budget deficit.

The principle of the partial privatization of the SNI (National Investment Company), DISTRIGAZ and the RTM (Maritime Transport Administration) was proclaimed several times but without major results. Verhofstadt now returns in full force, presenting to his colleagues in government a whole program of privatizations shown in the table below. By virtue of its scope and precision, the program is a shock program that will certainly rouse many reactions. We know that the CVP [Social Christian Party] and the PSC [Social Christian Party] have expressed very serious reservations. They criticize the young PVV [Party of Liberty and Progress] for a dogmatism that is "out of place." According to them, Belgium is not France.

The case of the privatizations returned to the forefront on the occasion of the RTT [Administration of Telegraphs and Telephones] affair. In order to settle the problem of orders placed by the Administration (the contract of the century), the government wants to grant the RTT autonomy rapidly and, if need be, open up its capital to the private sector. The RTT case is now blocked. Experts from the 11 staffs concerned (the Verplaetse group) broke up their very lengthy discussions on Saturday without any agreement and even with very serious splits. Whatever the case, Verhofstadt does not want to let the RTT go it alone by itself. He wants to obtain his colleagues' approval for a special powers order granting autonomy of administration to all public enterprises and not just the RTT. He also wants to take another step by launching a program to privatize these enterprises. That program is found in the

table below. It will be noted that privatization of the RTT would not take place, according to the program which it labels as indicative, until 1990 and 1992. However, other enterprises are involved: the RTM, Sabena, DISTRIGAZ, the SNI, the CGER (General Savings and Retirement Fund), the SNCI (National Industrial Credit Company), the CNCP (National Professional Credit Fund), INCA (National Agricultural Credit Institute) and the BCCH (Central Mortgage Loan Office). In 5 years, these privatizations would bring over 25 billion francs into the Treasury.

In his note, Verhofstadt explains the procedure he intends to follow and in particular, his proposal to set up a privatization committee made up of representatives of the prime minister, Finance, the Budget and Economic Affairs. Each department of the committee would create an ad hoc group with representatives of the enterprise concerned and its ministry, with experts from the Banking Commission and financial experts. Verhofstadt is also asking his colleagues to plan measures that would incite personnel of the enterprises in question to buy stock in them.

Privatization Program

<u>Year</u>	<u>Month</u>	<u>Enterprise</u>	<u>Percentage</u>	<u>Yield</u>
1987	Oct-Dec	SNI	30-40	3 mld
1988	Mar-Apr	CNCP-INCA-BCCH	75	2 mld
	Nov-Dec	CGER (savings) (1st installment)	10-15	3 mld
1989	Feb-Mar	SNCI	25	.5 mld
	May-Jun	Sabena	25	1.5 mld
	Sep-Oct	SNI (2d installment)	20	2 mld
	Dec	DISTRIGAZ	15	1 mld
1990	Jun	RTT (1st installment)	25	Min. 5 mld
	Oct	RMT	100	PM
1991	Mar	CGER (savings) (2d installment)	20	Min. 5 mld
1992	Mar	RTT (2d installment)	25	Min. 2 mld

11,464

CSO: 3619/36

PSC PROPOSES CHANGES IN TAXES, EDUCATION, SOCIAL SECURITY

Deprez on Aims

Brussels LA LIBRE BELGIQUE in French 13 Jan 87 p 4

[Interview with Gerard Deprez compiled by Guy Daloze, Andre Mean and Francis Van de Woestyne]

[Text] [Question] Does your motion and your congress of 21 February denote a repositioning in the majority, a new positioning in the political field, or the threat of a governmental crisis?

[Answer] We were the leading craftsmen of the renewal of the current majority, at all levels: National, within the French community, the Walloon republic, the Dutch-speaking community and tomorrow, I hope, Greater Brussels. Let us be very clear, it is deliberately and purposely that we intend to develop our projects within the framework of the actual majority, while respecting the mandate that we requested from the voters.

Uncomfortable?

[Question] But, when, after only 1 year in the government, one prepares a political motion of the type you are formulating, it is because one feels uncomfortable in that government...

[Answer] Not at all. It means that one takes seriously what the government has done. The majority has carried through three basic achievements since 1982: The devaluation and its concomitant measures (incentives for risk capital among them) has allowed the return of competitiveness among enterprises; industrial sectors, such as the metal and steel industry and coal mining, that were experiencing tremendous difficulties, were reorganized and it does not hurt to be aware that Walloonism was the first to assume its responsibility in that area and therefore is the first to garner results; and the so-called "snowball" budget trends affecting the increase of the public debt and of the interest charges were broken.

But each time, there was the matter of a reorganization and, each time, many efforts were demanded of the sectors and of the population as a whole. Belgian society has now clearly reached what Raymond Barre has called a state of

"overdose." Belgians can no longer simply be addressed in terms of austerity, hardships and, almost, "punishment,"--for it is necessary to know that for some people, this state of affairs is experienced as a punishment--without giving them, at the same time, some positive goals for the future.

This is why the PSC [Christian Social Party] motion is based on all the attainments of the governmental policy--dodging the issues and retracing our steps is out of the question--in order to define new positive projects.

Positive

[Question] Which ones?

[Answer] The motion hinges on three sectors:

1. Future investments, not only in the education, training and research sectors, but also in public services: It is no longer a question of investments by enterprises, but by so-called associations;
2. fiscal reform geared to families, since it is now clearly apparent that married people no longer accept to be penalized because of the simple fact of their contract and not of their cohabitation; the penalization of marriage is no longer endured. Furthermore, people demand the return of a larger share of their income, thus enabling them to decide for themselves how to use it; and
3. secure social benefits (an expression which I prefer to "moratorium," which gives the impression that one compromises before making a greater effort and going further). The overall efforts that were attained--several hundred billion--in the social security sector, through the increase of contributions and the decrease of benefits, enabled us to restore state intervention to the average European level. Going beyond the European standard is out of the question for fear of placing the very management of the social security system in jeopardy and of dismantling it.

Another thing: I no longer hear people say that the unemployed are loafers and that stopping their benefits would suffice to get them to return to work. When you have 12 million unemployed in the European Community, you know that it is not a question of 12 million loafers! And we are witnessing a revolution within Belgian society, at the core of those who are lucky to work: They ask for their wage increases based on their performances and that their withholding taxes be kept at a minimum, but they no longer blame those who have been unlucky in finding work. They therefore accept to pay the price of solidarity: You no longer find people who demand that unemployment benefits be cut; who say that health care is too laxist; and who demand new savings in the retirement funds sector.

In 1988

[Question] But how are you going to finance your tax reform?

[Answer] It should not be achieved in 1 day or 1 year. We still have to decide whether the trend will be toward overall reform or toward a gradual

system that will spread the consequences of the budget over several years. For us, in any case, a significant measure must be implemented for the 1988 revenues at the latest. We do not mortgage Val Duchesse in 1987.

But a compensatory system must be found, taking the three factors into account. Reviewing tax exemptions and deductions is inescapable: For example, it is clear that, from the moment that we totally disaggregate revenues, we can question whether reductions granted in the framework of overall revenues should not be reviewed (it would be difficult to double, through this disaggregation, the ceiling for professional expenses, life insurance and retirement funds, for this would create another factor of inequality at the expense of households with only one income).

Second factor, all the international studies show that indirect taxes in our country are smaller than direct ones. It was suggested that we proceed with restoring a balance without destroying the effort made for the benefit of families, but this should be orchestrated cautiously through, for example, an increase of the TVA [value-added tax] on consumers' goods.

Thirdly, corporate taxes. Some praise the Reagan administration which lowered marginal tax rates tremendously. But they forgot that the tax reduction of individuals was fully compensated by a corporate tax increase. That is not what we are asking.

For us, the result of the reorganization of a tax system beneficial to families and work-generated incomes passes through a new appraisal of tax expenses and of corporate taxes, taking into account the net effect of the subsequent overall reductions which were introduced over these past few years by a certain number of provisions. In 1986, we will witness an explosion of company profits in some sectors...

[Question] But will people end up with more money in their pocket because of that?

[Answer] You are not going to ask us to reduce the taxes of a bachelor who has a net income of 1.5 million and no family. On the other hand, middle-income families who have borne the brunt of the crisis and whose combined salaries range from 750,000 to 1,250,000 francs will see their taxes greatly reduced.

Social Truce

[Question] Is the social truce that you are proposing a gesture toward the Christian Mutuals, a pledge to Francois Martou and the MOC [Christian Workers Movement] or, to a slight extent, a basic desire to run?

[Answer] My proposal has no partisan objective: Based on the results of Val Duchesse, our country succeeded in bringing down state intervention pertaining to social security to the European average. The goal has thus been reached. There is no question of becoming punitive for the pleasure of being punitive; efforts have reached such a scope that going further is not possible without a serious breakdown of the social consensus.

[Question] Verhofstadt nevertheless believes that we have not yet gone far enough, since the budget deficit has not yet reached the European average.

[Answer] The question is to know whether we can continue to absorb the current deficit should there not be a real economic recovery, which could result in the destructurization of the Belgian society and its social fabric. See what is happening in France. Can we continue to ask extremely long-term efforts with regard to income reduction without people being able to see the results of their efforts? The deficit now proceeds through planned recovery for, without it, there is only impoverishment.

Too Much Too Fast

[Question] Can we, for all that, remain with an 8 percent deficit?

[Answer] No, but the problem is to know at what rate we can go below the 8 percent deficit. Look at education. The government recognized that it had intervened too much and too fast since it altered both the structure and rate of its measures. Do you know that, if we take only demographic results into account, we will have within the next 6 years 31,000 less pupils in the elementary French-speaking educational system, which means that we will lose 2,000 full-time teaching positions. We will lose 40,185 secondary students during that same period. The total loss will thus be 70,000 students: Are we measuring what this figure represents in terms of jobs? And must we add to this tragedy "aggressive" measures, such as new staff regulations, which would lead to further reductions in personnel? It would be irresponsible!

[Question] In short, you limit the results of Val Duchesse in education...

[Answer] No. There is no new challenge in 1987. But we cannot go beyond that. It would be absurd and criminal to decree a new 5 percent staff reduction for the September term.

Simplistic

[Question] The scientific policy is another bone of contention...

[Answer] Here, it is even worse. Val Duchesse is unfaithful to the governmental declaration and in opposition to the 1984 law. In a sector considered strategic by everyone, the procedure proposed by Verhofstadt and accepted in Val Duchesse is a simplistic ideological approach.

A 1984 law which provides for a catch-up plan and it has not been repealed. The governmental declaration is also categorical. Officials of the scientific community and some well-disposed people in the liberal family must likewise be heard. Everyone has reached the conclusion that we acted badly in both that sector and education. The situation must therefore be corrected through increased public credits for scientific research.

[Question] Is there still money left for that?

[Answer] I would like someone to explain to me why it is irresponsible to demand an extra 3.5 billion for scientific policy, whereas, for example, we found 8 billion for the social budget of the Campine mines and we accepted to spend, over the last 10 years, an average of 4 additional billion annually for the RTT [Telephone and Telegraph Administration] equipment built in Belgium, equipment which could have been acquired, for the same quality, at a more advantageous price. Who, then, is irresponsible?

Step Backward?

[Question] The new position of the PSC on the subject of making education a community affair is a step backward...

[Answer] No. In July 1985, at the Woluwe congress, we took an uncompromising stand while everybody was trying to force our hand in order to carry out the revision of Article 59bis of the Constitution. We still believe that making education a community affair is dangerous from the point of view of freedom of education since the mechanisms of academic peace are no longer working and the Academic Covenant Commission has collapsed.

If a new type of guarantee is unavailable, we risk to deliver non-state education to majorities which would be opposed to it. This development also risks to be detrimental, from a financial point of view, to French-speaking education as a whole. We therefore reject the revision of Article 59bis as long as none of the aforementioned guarantees are available beforehand. If the CVP [Social Christian Party] and the PS [Socialist Party] are of good faith, they will have no difficulty responding to our request for a discussion and giving us the constitutional and financial guarantees that we demand.

[Question] Your position is akin to that of the liberals...

[Answer] In 1985, the liberals were ready to approve a revision of Article 59bis. We were the ones who prevented it. The conditions that they were proposing were rethorical.

Heart

[Question] In your draft motion, you state that you want to "humanize the figures." That is also rethorical...

[Answer] These words mean that we keep the liberals for what they are and we assert ourselves for what we are. You will find that, in our document, we do not criticize our partner.

[Question] Why then do you feel the need to reassert yourselves?

[Answer] Based on acquired knowledge and past experiences, we have to say that it should not be done again. Let us go back to the education problem. There was a methodological error. Men, alone in a castle, approved measures that were not realistic and of such scope that they could not be borne by a community.

A society is more than mere numbers. It is made up of school principals who draw up schedules, teachers who hold classes, parents who must know what options are offered in the schools and children who must be made secure about the direction of the training they are given. Finally, there was this very serious blow: Political figures made insulting remarks about people who practice their profession with confidence and have devoted their mind and soul to a modernized type of education.

These three errors showed educators that the decision-makers were ignorant of their problems and that they did not know what was or was not feasible in the schools.

Coalition

[Question] It is always the same coalition, the same decision-makers...

[Answer] I did not say that all the decision-makers had to remain the same to the end of the coalition.

[Question] Should they be changed?

[Answer] I am not pleading for a reshuffling. There were too many errors in the educational sector. One more would be fatal.

[Question] For the government?

[Answer] No. It can be limited to the office holder. That is not the problem. What are the principals, teachers and parents demanding? Let them be heard. Let the importance of the responsibility they shoulder be recognized. They are not rejecting the reorganizations, but they do not accept all of them, not with the proposed scope and methods.

Idiotic Oversimplification

[Question] Can this new spirit be implemented with your liberal partner?

[Answer] I will not speak ill of our partner. We chose him and we were mandated to implement with him the whole policy that we are presently defining. Our approach is what differentiates us. Some of the investments pertain to people. We invested in numbers. There are superbenefits on the one side and demoralized people in education. You cannot train motivated young people with demoralized teachers.

Only figures were seen in the scientific policy, men were forgotten. We want to make people secure. Everyone is beginning to move away from the idiotic oversimplification of the basic neo-liberal ideology which is merely punitive toward society and does not create conditions in which people's talents can be truly explored.

[Question] Would it be the socialists' cue?

[Answer] Not at all! Because the socialists would not accept these ideas. They would recreate the bureaucratic conditions in which trust in people would not thrive.

End of Truce

[Question] You make a lot of noise about this repositioning. Is it not because the Fouron truce will soon be over?

[Answer] We have been living with the Fouron scarecrow since 1983. We must learn to live with it as England has been living, all things considered, with the Irish crisis for the past 15 years. We must live with the Fouron misfortune: There is no prospect for a final solution. Unfortunately, on the French-speaking side, short of causing the irrevocable from a political point of view, our present scenario could jeopardize the goals for which we are fighting. We must handle this situation with much self-composure.

That is why, surprising on the surface, some initiatives, to be taken within the next few days, must be interpreted in light of our goal, namely, to avoid being made powerless.

Socialist Strategy

[Question] Are not you bothered by the French socialists' calls to the CVP?

[Answer] I do not understand Spitaels' strategy. He gave the impression for a long time that he wanted to be the spearhead of the French-speaking community. It looks as though this strategy no longer interests him.

He, as well as public opinion, undoubtedly came to the realization that the socialists were not indispensable.

Today, the PS is making offers to the staunchest of the Flemish federalists. It is a dangerous game.

[Question] The corrupt ones who supported the election for the presidency of the young PSCs shocked more than one social Christian...

[Answer] It is true that not everything went well.

[Question] The support that you gave to only one of the two candidates also surprised people...

[Answer] The first one who came to ask for my support is the one to whom I did not give it.

Pressure

[Question] The president of the Christian Workers Movement, Francois Martou, announced that his movement would apply greater pressure on the government and your party. Is the current manifesto the first result of this pressure?

[Answer] I can tell you a secret. Francois Martou announced that he would apply more pressure on the PSC only after he was warned of our intentions about some of the sectors.

Summary of Paper

Brussels LA LIBRE BELGIQUE in French 13 Jan 87 p 4

[Compiled by Guy Daloze, Andre Mean and Francis Van de Woestyne]

[Text] The motion is lengthy, very lengthy, seven tightly-filled pages: "To humanize the figures" without, for all that, "squandering the results of the austerity policy," nor "pulling its chestnuts out of the fire," nor "taking a backward step;" the PSC stated its case in many ways and in as many nuances. The reason is that the new priority goals of the government must be defined within the current coalition "by fulfilling to the end the contract that links the party to its governmental partners."

Divided into six items, the motion is still in draft form only: It has been submitted to the local sections and the arrondissements for possible amendments and it will become mandatory only after it has been approved by a party congress called for 21 February. Following are the main issues:

Education: The PSC wants to invest in education; it will not accept a further reduction in the budget credits, other than the one which may result from shifts in the school population; it asks that the staff regulations be determined through discussions, prior to 31 March; and it proposes that, lest they be nulled, all ministerial memos pertaining to the new school term must reach the organizing authorities no later than the 30th of April preceding the new school term.

In view of the deadlock reached by the Academic Covenant, it proposes to the signatory parties to negotiate a system of additional constitutional guarantees ensuring, among other things, wage equality, free ideological choice and pedagogical freedom.

The PSC confirms its refusal to endorse any revision of Article 59bis of the Constitution, aimed at making education a community matter, as long as the necessary guarantees fail to be entered into the Constitution. An alternative submitted to the PSC members replaces these constitutional guarantees with a political agreement by all the signatory parties of the Covenant, picking up again the above-mentioned scheduled constitutional guarantees and equitable financial settlement.

Scientific Research: The PSC demands the recording of the budget credits needed to implement the Maystadt plan for catching up with the scientific lag, especially for the benefit of universities. Precise procedures concerning the participation of the private sector will have to be negotiated.

Modernization: The PSC wants to modernize the public services through priority actions (effective administration, School of Administration for Cadres and data processing administration).

Taxation: The PSC asks the government to file a draft law before Parliament, providing a tax reorganization to benefit families and work-related incomes, with a first tangible measure ready for the 1988 revenues at the latest. The motion proposes alternatives, but they all call for the repeal of the "marriage tax," that is to say, the full desaggregation of the spouses' incomes, including incomes from the supporting spouse of self-employed individuals.

A reorganization of the tax rates and the establishment of a deduction for baby-sitting fees for children up to 2 1/2 years old are also mentioned.

Social Consolidation: Because the tax reform cannot be made at the expense of social benefits recipients, the PSC proposes a "social consolidation" the forms of which remain to be specified. In any case, it involves not reducing state intervention further and not increasing contributions.

Charter of Social Benefits Recipients: The PSC asks for a legal security system for social benefits recipients, similar to the one established by the taxpayer charter, through the correlation of social law, sufficient information to each social benefits recipients and remedies for administrative delays.

6857

CSO: 3619/28

ECONOMIC INDICATORS SHOW IMPROVEMENT, HIGHER CONSUMPTION

Lisbon O JORNAL in Portuguese 6-12 Mar 87 p 4-E

[Text] The general indicators are continuing to reflect the improvement in the nation's economic conditions that began last year.

Supermarket sales are continuing to rise. At the other end of the economic circuit, the businessmen, sensitive to European competition, are investing to rationalize their operations.

The number of bankruptcies is up, however, although it is still small. Those most affected are the traditional sectors concerned with food and beverages and textiles, clothing, and footwear, perhaps because they are less able to adapt to new methods of production and trade.

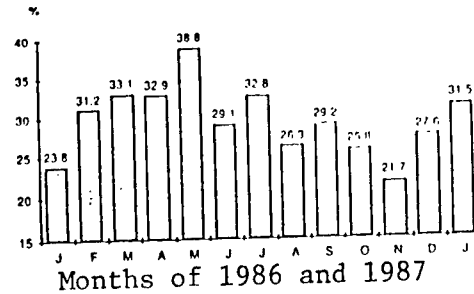
Foreign trade is continuing to improve, but its geographic concentration is increasing and inclining toward the Community zone.

The forest sector, traditionally an export industry and one of the best performers in exploiting national resources, is seeing increased international competition on the domestic market as imports reveal a high level of dynamism.

The business community is showing more openness to rationalizing investments, having become aware that modern management methods are playing an increasingly important role in producing good results for a firm.

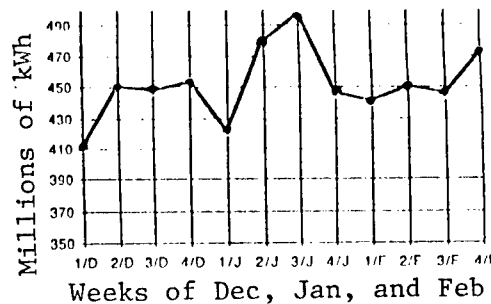
[See the graphs beginning on the following page.]

Supermarket Sales up (change
from the same month the year before)



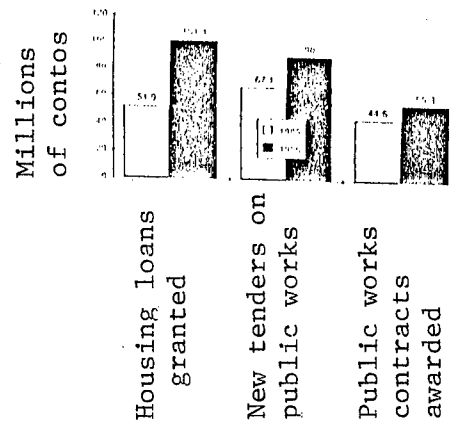
Supermarket sales in January were up by 31.5 percent over the same month in 1986, according to data from the National Supermarket Association. The change has not been that high since last July, thus indicating continuing improvement in the population's purchasing power. The raises received by civil service workers and a number of possible wage adjustments in private industry are probably the main reasons for that stretching of household purses.

Weekly Electricity Consumption:
Heavy Week



Electric energy consumption last week totaled 472.3 million kWh, reflecting an increase of 6.1 percent over the preceding week. During the corresponding week last year, consumption totaled 430.7 million kWh. The swings in consumption are continuing, although the greater swing in the latest variation may indicate a rising trend in future weeks.

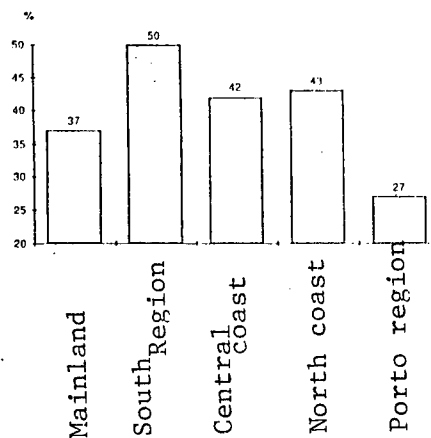
Civil Construction and Public Works



Indicators showing the development of demand in the construction and public works industry reveal that overall credit to homebuyers probably rose by 95.4 percent in 1986. The total granted was on the order of 101.4 million contos. The total value of new bids on public works projects also rose, but more slowly than housing loans.

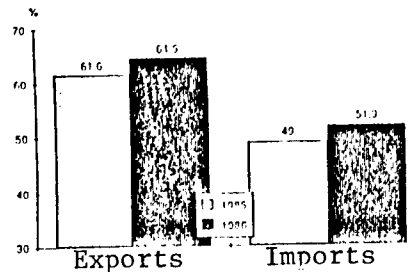
The volume of contracts awarded rose even more moderately, reflecting real growth of only 10.7 percent and totaling 55.3 million contos. But upstream, steel and cement consumption rose in real terms by 16.4 and 2.6 percent respectively.

Home Ownership: Over One-Third Own Their Own Homes



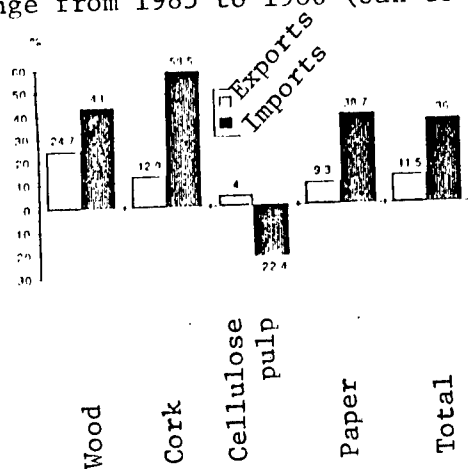
According to a survey conducted by Marktest and involving a sample of individuals over 18 years of age, 37 percent of mainland Portuguese own their own homes. The largest relative concentration of homeowners is in the South Region, where 50 percent of the residents say they own their own homes. The opposite extreme is found in the Porto area, where only 27 percent are homeowners. An intermediate position, befitting its geographical position, is occupied by the central coast.

Concentration of Nation's Foreign Trade
 (% represented by six main countries):
 Foreign Trade More Concentrated



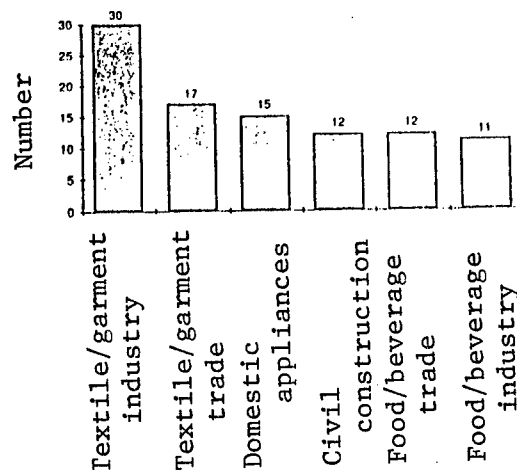
Accumulated national foreign trade figures for the first 11 months of 1986 show an increase in the already high geographic concentration of our trade. A comparison of the relative weight of the six countries constituting our main customers and our main suppliers shows that during that period, they accounted for 64.5 percent of our total exports and 56.9 percent of our imports. During the same period the year before, those figures were 61.6 and 49.0 percent respectively. In both cases, only one of those countries was not a member of the EEC.

Forest Products: Imports Rise Faster
 Change from 1985 to 1986 (Jan to Nov)



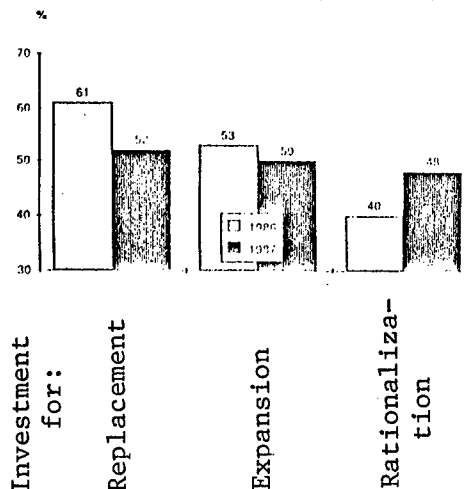
During the first 11 months of 1986, foreign trade in forest products was characterized basically by a more than proportional increase in imports (up 36 percent) in comparison with exports (up 11.5 percent). The trade balance showed slower growth--on the order of 5.9 percent--the accumulated value of exports being [copy garbled] imports of 25.7 million contos. In both exports and imports, the most significant growth was in wood and cork.

Bankruptcies Rise in 1986



There were 195 legally registered bankruptcies last year, an increase of 12 percent over 1985. By sector, most of them occurred in the manufacturing or selling of textiles, clothing, and footwear (47) and food and beverages (23). This seems symptomatic of the structural weaknesses of those traditional sectors of the national economy. Regionally, the districts of Porto and Lisbon accounted for 55 percent of the total. The bankrupt firms had an average of about 10,000 contos in capital and about 77 employees.

Industrial Investment: More Interest in Rationalization



According to an INE [National Statistics Institute] survey of investment objectives for 1986-1987, businessmen's intentions point to an increase in rationalizing investments this year. While less sizable than investments for replacement or for expanded production capacity, that is the only type to show an increase between 1986 and 1987. The number of businessmen calling it a determining factor in their investment decisions is up from 40 to 48 percent.

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CS0: 3542/70

OZAL DESCRIBES GOALS FOR 1987

Istanbul MILLIYET in Turkish 7 Jan 87 p 4

[Report by Adnan Gerger, Unver Cekimoglu and Ismail Baskan]

[Text] Mersin--Prime Minister Turgut Ozal warned tax evaders and price gougers. Ozal said: "No one should raise prices abnormally. If they do they will regret it."

In a speech at the Mediterranean regional conference of the Turkish Union of Chambers, Ozal hinted at possible developments on various issues. He said:

--Our people are looking to the future with hope. No matter what they say or write, there is no pessimism. Even those who live on muddy streets look to the future with hope. This hope could not be seen 7 years ago.

--In those years, the country was forced into a harmful conflict. Some of our wealthy left the country. They were the cowards who jumped off the ship first.

--Economic and social problems cannot be resolved without politics. At the beginning of 1980, even the OECD did not believe that Turkey's economy could be improved. Nevertheless, we instituted important economic reforms.

--Today one can find everything in Turkey. We brought everything so that we would not have to stare at the foreigners. Now Turkey is cheap; it is the foreign countries that are expensive.

--It has been suggested that income declarations be abolished in agriculture and that a 10 percent tax withheld [from farmers' earnings]. We will find a way. We will collect taxes without hurting anyone. Social justice is possible only if everyone pays his taxes. I am warning the tax evaders.

--We are working on the issue a new taxation system for farm income. I am not afraid of losing votes here and there. We can tell farmers: 'Bring a declaration of exemption, and we will give you a tax rebate.' We will find a way.

--There are certain deficiencies in the financial area and we are trying to rectify them. The lowering of interest rates is an important issue. But we will cut interest rates. Currently, interest rates on bank deposits are 20

percentage points higher than the inflation rate. We will maintain interest rates on deposits at 10 to 15 percent above the inflation rate. (By this estimate of Ozal's interest rates should be cut to 30 to 35 percent.)

--Loans given to farmers, small businessmen, exporters and medium-term borrowers carry low interest rates. The cost of credit in these areas is not abnormal. What is abnormal is the cost of credit borrowed by corporations. Those loans carry interest rates of up to 80 percent. That is what needs to be rectified.

--In the computation of national income, it would be incorrect to say that per capita income has declined on a dollar basis. By the same token, the national income of the United States would have declined on a deutschemark basis. That is an incorrect evaluation.

--We are working to repay the debts owed to agricultural producers as soon as possible. We also accorded major advantages to the farmer by announcing agricultural floor prices before October.

--In 1987, currency exchange rate adjustments will total about 17 to 18 percent. If the relationship between the U.S. dollar and the deutschemark does not change significantly, the inflation rate may be reduced to below 20 percent.

--No one should raise prices abnormally. If they do they will regret it. That is why we are implementing this liberalization program. If prices of certain goods rise abnormally, we can completely eliminate custom duties on imports of similar goods.

--We brought imports under effective control by the use of fund surcharges and similar other methods. Imports of investment goods will continue to grow, but total imports will decline this year. Consequently, we can say that we have liberalized imports in a careful way. We are thus protecting our industry.

--The banks must sell the stock certificates they own. We are encouraging them to do so. The banks do not have adequate capital accumulation. Consequently, it is not proper for them to run industrial enterprises. We will deal with this issue later on.

--The banks did not realize the importance of the issue at the beginning. They lent money to people who already owed money. Eventually they got themselves into an impossible situation. The banks should not think that they can earn a lot of money by charging very high interest rates. They can earn more money by charging reasonable interest rates. We can help the banks with their reserve deposit requirements. In return, they should cut their interest rates on credit.

EEC MEMBERSHIP IMPACT ON FOREIGN TRADE EXAMINED

Istanbul CUMHURİYET in Turkish 7 Jan 87 p 9

["Guest Writer" column article by former Deputy Undersecretary of the Treasury and Foreign Trade Ozer Cinar: "Possible Effects of EEC Membership on Our Foreign Trade"]

[Text] Article 237 of Treaty of Rome, signed by six developed Western European countries to go into effect on 1 January 1958, states that the "European Economic Community" is open to any democratically governed European country which can undertake the obligations specified by the treaty and "Community regulations" introduced within the framework of the treaty. After the United Kingdom, Denmark and Ireland joined "The Six," this "system of accession" specified by the treaty worked for Greece, Spain and Portugal in the second half of the 1970's, and "The Nine" became the "The Twelve" in the first half of 1980's. Meanwhile, it is known that our country, which has stalled for 14 years in the realization of a "customs union" with "the Nine", will use the system of accession when the time comes.

Before Turkey becomes the "13th member of the EEC" it is necessary to rationally assess the possible effects of membership on Turkey's foreign trade and to examine the new elements "the contractual commitments of membership" will introduce to the "present trade regime" (the joint protocol regime) between Turkey and the original "Nine."

1. Membership in the EEC will make it mandatory for Turkey to exempt industrial and agricultural imports from "the Twelve" from customs duties and/or surcharges or fees (including the Public Housing Fund surcharge) equivalent to customs duties as well as quota restrictions and measures equivalent to quota restrictions (primarily "import guarantees).

Complying with the Common Customs Tariff the EEC applies to non-EEC or "third country" imports will drastically lower the "protectionist walls" of the Turkish economy. Moreover, Turkey will have to come to terms with the requirement to eliminate or reduce customs duties and/or surcharges or fees equivalent to customs duties on imports from more than 100 of these non-EEC "third countries" in accordance the EEC's "Common Agricultural Policy," "Common Trade Policy," "Community Treaties" and the "Generalized Tariff Preferences System" with which Turkey has to comply when it becomes a member.

These in general are all the "new and contractual obligations" which will be introduced into Turkey's import regime after Turkey--which has remained inactive with regard to the implementation of the planned customs union (the terms of the joint protocol) with the original "Nine" since 1973--joins the Community.

2. On the other hand, our industrial and agricultural exports to "the Nine"--which have complied with the "customs union obligations" stipulated by the joint protocol since 1973--have benefited from exemptions of customs duties and/or surcharges and fees equivalent to customs duties and the liberalization regime.

Thus the only improvements membership will bring to this "free circulation system" will be the ending of our "voluntary export restrictions" on 9 textile product categories; the abolishment of existing export quotas on hazelnuts; the lifting of "exemption period restrictions" on some fresh vegetables and edible fruits; the ending of our "voluntary export restrictions" on tomato paste; and benefits derived from the expansion of the free trade rules for agricultural products to Turkish farm product categories which are currently protected by a variable customs duty system--with very limited significance on our exports--and subsidy payments from the "Community chest" for our agricultural exports to non-EEC "third countries." (The purpose of these subsidies is to offset the problems created by compliance with the Community's "high common agricultural prices" with regard to exports to third countries.)

3. It would also be appropriate to stress here that the trade of goods within the "Community including Turkey" will be conducted within the framework of free and equal competition rules as stipulated by "competition rules" in articles 85 through 94 of the Treaty of Rome and related "Community regulations." In other words, after Turkey becomes a member of the EEC, it will no longer be possible to implement unusual export incentive programs such as "exempting exporters from the Corporations Tax," "value-added tax rebates," "rebates of taxes exceeding the value-added tax," "domestic purchase premiums" and "letting exporters keep the foreign exchange earned from their sales."

These facts point to the following conclusions with regard to the possible effects of Turkey's EEC membership on its foreign trade:

a) Because of "preferential terms" we will have to apply to the Community within the framework of the "customs union" and "Common Agricultural Policy," Turkey's foreign trade will become more dominated by the EEC than it is today. However, this "polarization" will be more pronounced in imports than in exports.

b) The additional benefits Turkey will gain from membership with regard to its exports will be much less than the additional benefits the Community and non-EEC third countries will gain with regard to their exports to Turkey.

As a consequence, it is evident that Turkey's "foreign trade deficit" will grow substantially after it joins the EEC.

We must also not forget that our "search for an equilibrium exchange rate"--in other words "devaluations of our currency at any time by any amount"--which became widespread in the 1980's will become part of history when Turkey becomes a member of the EEC.

c) Consequently, one of the prerequisites of membership in the EEC is to improve all the "subaccounts" of Turkey's "balance of payments"--not just to take steps toward improving them.

Because membership in the Community is an extremely hard, if not impossible, goal to achieve for countries whose foreign payment means do not meet the "transfer requirements" specified by Article 106 of the Treaty of Rome.

9588

CS0: 3554/163

STATE INVESTMENT BANK BECOMES 'TURK EXIMBANK'

Istanbul MILLIYET in Turkish 16 Dec 86 p 4

[Article by Zulfikar Dogan: "New Face for Old Bank"]

[Text] Ankara--The State Investment Bank will become "Turk Eximbank." The reorganization of the State Investment Bank is envisaged in the forming of the long-planned Export-Import Bank. This way there will be no need for a new bank.

A report on financing for presentation to Deputy Prime Minister Kaya Erdem has been prepared by experts. The report made the following points:

--The State Investment Bank should be charged with the financing of foreign trade, using its existing cadre, functions and contacts.

--Formation of Export Credit Insurance Guarantee Agency [ECIGA] should be given priority.

--Turkish financing institutions, Turkish insurance organizations and the state will join together to form the ECIGA. It will guarantee against commercial and political risks Turkish exporters will encounter.

--The ECIGA will guarantee against losses resulting from these risks with special comprehensive, selective, draft, temporary and floating policies.

--The ECIGA will "compensate" for 80-90 percent of the loss from a commercial risk and 85-95 percent of the loss from a political risk. The rest of the risk will be met by the exporter. In addition, in the case of export credit obtained from banks, the agency will guarantee financing of up to 85 percent of the export cost.

--Two kinds of credits will be given by the State Investment Bank to finance imports and exports--export credit and buyer credit. Importer credit will be of three types--credit given to foreign buyer firms, credit given to banks financing foreign buyer firms and credit given to the foreign buyer firms' governments.

--Export and import credits will be determined according to type of goods. Credit supports will be given to purchases of consumer goods and raw materials for 1 year, to durable goods and construction work for 5 years and to investment goods for 5 years or more.

--The State Investment Bank will take advantage of deregulated foreign exchange it acquires from foreign markets and of government sources of zero rate foreign exchange and the interest subsidy on the domestic market.

12816/9738

CSO: 3554/160

COMMENTARY CRITICIZES ECONOMIC DEVELOPMENT

Istanbul CUMHURIYET in Turkish 7 Jan 87 pp 2,13

["Window" column by Ilhan Selcuk: "A Laboratory Experiment"]

[Text] In the December 1986 edition of the journal PARA VE SERMAYE PIYASASI [Money and Stock Exchange], Assistant Professor Mehmet S. Tekbas recounts Turkey's debts as follows:

"Principal and interest payments on the foreign debt have increased substantially in recent years. These payments will rise from \$2.8 billion in 1984 and \$4.4 billion in 1986 to \$4.7 billion in 1987. Moreover, the country's total foreign debt increased from \$11.4 billion in 1980 to \$28.2 billion as of September 1986, and the share of short-term loans in the total debt rose from 13 percent in 1981 to 30 percent in 1986. The payment of \$4.7 billion that needs to be made in 1987 will be financed by new short-term loans. IMF officials insist that Turkey's foreign debt has not yet reached very large proportions and that it can comfortably borrow more."

Dr Tekbas also notes that the need for and the terms of domestic and foreign borrowing will make it impossible to achieve the desired cut in the inflation rate in 1987. Many other experts agree with this view.

In the January 1987 edition of the journal BILIM VE SANAT [Science and Art], Assistant Professor Ilhan Tekeli examines the growth of holding corporations to levels exceeding monopolization and states the truth:

"Studies to gauge monopolist tendencies in various production sectors in Turkey indicate that monopolization in our country is much more widespread than all other capitalist countries."

According to Dr Tekeli's article, in the 1970's the monopolization rate in Turkey was higher than that of countries like the United States, France, Canada and Britain. This rate increased even more in the 1980's and the expansion of holding companies accelerated the growth of monopolization. Holding companies have even begun to try to control art in Turkey. The government of the proponents of free markets and liberalism has implemented a policy of extreme monopolization.

The most recent surveys conducted by TUSIAD [Turkish Industrialists' and Businessmen's Association] examine the "Turkish family 5 years ago and 5 years hence." Most heads of household speaking on behalf of their households stated that they are worse off today than 5 years ago. Moreover, a widespread sense of pessimism was expressed about conditions 5 years later. According to survey results, 54 percent of the heads of households interviewed stated that they were better off 5 years ago than they are today. Among the interviewees in the lowest income group, 51.5 percent said that they are worse off today than they were 5 years ago; among middle-income respondents this figure was 60 percent. In the lowest income group, 26.5 percent said that their condition had not changed. The comparable figure for the middle-income group was 21 percent. Thus, a government which has described the middle-income group as the "mainmast" has not been able to satisfy more than 80 percent of this group.

Since the TUSIAD survey was conducted by the employer sector, we are in no position to argue over the pessimism it reflects. In Turkey, we are experiencing a period when statistics and surveys are widely distorted. But it is clear that no one except the "progovernment holding corporations" are pleased about the present situation.

Since 1980, the United States and the IMF have been conducting an interesting laboratory experiment in Turkey. An entire country of 50 million people has been used as a "guinea pig." The military coup of 12 September 1980 was supported as a requirement of this laboratory experiment. The foreign capitalists who are prepared to sacrifice some when they expect large gains opened their taps of money, and the "guinea pig" was made to borrow \$20 billion in 6 years.

The result:

Now we have an economy which can pay back its debts only by borrowing more from overseas. The purported experiment of liberalism produced the opposite result of monopolization. The driving engine of the economy is no longer the private sector (as in the past) but the public sector. While it appears on paper that \$20 billion has entered the country in the last 6 years, the capital of the middle class and the mainmast have collapsed.

9588

CSO: 3554/163

ATATURK DAM CONSTRUCTION HALTED BY FUNDS SHORTAGE

Istanbul CUMHURIYET in Turkish 16 Nov 86 pp 1, 12

[Text] Ankara/Adana -- Workers at the Urfa Tunnel and Ataturk Dam, two prominent items within the Southeastern Anatolia Project, have walked off the job claiming they have not been paid for the last three months (neither their wages nor tax rebates). Some had left the Urfa Tunnel site 4 days ago, and some downed their tools at Ataturk Dam beginning yesterday. With danger of long delays looming over both projects Minister of Housing and Construction Safa Giray said "There are always problems at construction sites. We will solve them. By no account shall the construction be halted." Meanwhile, contractors made their views known by saying that State Waterworks (DSI) had not been able to make payments due to shortage of funds, and now hopes rest with the government's acceptance of their request for extra funding. It has been reported that Akpinar, the main contractor at Urfa Tunnel, has decided to discount its receivables in order to keep its debit/credit account in balance. Akpinar reportedly has not been receiving any payments from DSI. According to our sources this is how things unfolded:

Not receiving its payments on time, Akpinar refused to pay its workers. The workers had not received wages or tax rebates for the last 3 months, so they started quitting the worksites. Of the 1500 working at the tunnel site, 250 workers walked off the job 3 days ago and were joined by another 300 the following day. The remaining ones are gradually leaving. Meanwhile, workers at the Ataturk Dam also started walking off the job. Ata, main contractor for the dam, is reportedly unable to meet its payments to its workers, not having received any payments from DSI. Workers at the site started leaving on grounds that they have not been paid for the last 3 months.

As a result of the crisis construction has virtually stopped at both sites. Officials from both Ata and Akpinar avoided giving detailed information simply saying, "We're not receiving our payments on time so we're not able to pay our workers."

Demirel Saddened

Meanwhile, responding to questions by CUMHURİYET, leader of the defunct Justice Party and former prime minister Suleyman Demirel expressed sadness over the whole matter. Demirel said the following in relation to developments at both sites:

It's a regretful episode. Our dams are a source of pride for us by which we take measure of our development. Refusing to pay workers, causing stoppages, these are unacceptable things. Why aren't the workers getting their pay? What can a worker do without pay? You have to pay him if you want him to do his job. Any delay in such a grand project would be worrisome. I repeat, I am very saddened. This has been very saddening news for me.

Minister of Public Works and Housing Safa Giray, during an information session on the Urfa Tunnel project, said the following:

At construction sites many things can and do go wrong. But halting the construction, that has no basis in reality. In all likelihood this is what happened: At the Urfa Tunnel site there had been a contract dispute. DSI is trying to resolve it, and I believe the resolution is near. But delays are encountered during this process. These are not too important. At large construction sites this kind of thing can be expected. But let me say this. Urfa tunnel will be completed as planned and at the expected date.

Responding to a question on 'contract problems', Giray said:

They are mostly wage-scale problems. Problems that arise due to differences between the original contract and present-day situations not specified in the contract. But I repeat, at construction sites problems do arise. We will resolve them. There is no such thing as halting the construction.

In Search of Extra Funding

Contractors, on the other hand, say that due to a shortage of funds in recent months DSI has had to withhold payments. Contractors estimate the amount owed by DSI as TL 92 billion. The hopes rest with DSI getting a favorable response from the government regarding its request for extra funding. Akpinar, the

firm in charge of the Urfa Tunnel, estimates its receivables as TL 3 billion. Officials of the firm say there had been delays in construction due to payment difficulties but the problems were by no means insurmountable. Ata, the firm in charge of the Ataturk Dam, was facing a similar situation. It had yet to collect close to TL 15 billion but the delays could be put right.

Meanwhile, it was learned that Akpinar had discounted its collectibles with the Emlak Kredi Bank in order to maintain its debit/credit balance.

12466

CSO: 3554/120

FEUD WITH IRAQ BENEFITS ARAB TIR DRIVERS

Istanbul MILLIYET in Turkish 7 Jan 87 pp 3,14

[Hamdi Yurdakul report]

[Text] Mersin--Iraq's decision to require visas from Turkish TIR [International Highway Transport] trucks and delays of 15 days associated with getting a visa have helped TIR trucks from Arab countries to increase their share of the truck shipping business to Middle Eastern countries. In particular, exporters of fresh vegetables and fruits in the Cukurova region have begun shipping their produce on Arab TIR trucks because long waits may spoil their products. As a result a major portion of the Turkish TIR fleet has been made redundant.

Iraq's decision to require visas from only Turkish TIR trucks and drivers has been a boon for TIR trucks carrying Arab license plates. Turkish TIR trucks wait at least 20 days on the Iraqi border--15 days during entry and 5 during departure--on each trip. Arab TIR trucks do not have to comply with such requirements.

According to records kept by the Association of International Shippers, in the last 8 months 6,543 Arab TIR trucks carried goods from Turkey.

Salih Ali of Kuwait, a leading exporter of fresh vegetables and fruits in Mersin, said that his company has been forced to take its business to Arab TIR trucks because of the difficulties imposed on Turkish TIR trucks and that as a result his company's shipping costs increased severalfold.

Photo caption:

Arabs Left With No Competition: When difficulties were introduced to Turkish TIR trucks travel through Iraq, the Arabs were left without competition. Syrian and Jordanian TIR truck drivers report large earnings from Turkey and express surprise at the demand for their services.

9588

CSO: 3554/162

TWO-TIER GOLD PRICE ATTRIBUTED TO SMUGGLING

Istanbul MILLIYET in Turkish 7 Jan 87 pp 3,14

[Soner Gurel report]

[Text] Ankara--The amount of gold smuggled into Turkey has reportedly increased in recent days. Noting that a disparity has emerged between the price of gold sold by banks and that of gold sold on the free market, security officials said: "The price disparity stems from the smuggled gold on the market. Consequently, the Security Department is taking the necessary measures and will soon mount operations."

The officials also insisted that gold is being smuggled into the country with the motive of undermining Turkey's economy.

According to the information obtained, 600 metric tons of gold entered the country illegally between 1980 and 1986. However, security forces seized nearly all the smuggled gold.

Motives

According to information obtained from a senior Interior Ministry official, when gold is smuggled into a country with the motive of undermining its economy it can be the most effective means of draining that country's foreign exchange reserves.

Noting that gold is a dead investment, the officials said:

"For example, if 100 metric tons of gold is smuggled into Turkey, millions of dollars in foreign exchange will flow overseas. While gold can only remain locked up in a safe, foreign exchange can continuously circulate on the market. When the country's foreign exchange reserves flow overseas, the country will experience a shortage of foreign currency. An abundance of gold in the country cannot serve any purpose."

How is Gold Smuggled?

Noting that gold smuggled into Turkey originates from South Africa and Eastern Bloc countries, a senior security official said the following about the gold traffic:

"The said countries have large reserves of gold ore. As a result they control 87 percent of the world gold market. If these countries want to undermine a country's economy, they can create a foreign exchange shortage in that country by smuggling gold into that country.

"As is known, gold hidden in safes grew in the pre-12 September period but the government had virtually no foreign currency reserves."

The officials reported that the first stop of the gold originating from South Africa and Eastern Bloc countries is the Middle East. The gold is smuggled into Turkey mainly through Lebanon, Syria, Iran and Bulgaria.

The gold comes into the country hidden in special compartments aboard TIR trucks. After all procedures are completed in Turkey and the gold is delivered to the buyer, the agreed price is paid to the seller in foreign currency. This foreign currency leaves the country by the same path. The official explained the detection of smuggled gold as follows:

"Initially we could detect smuggled gold only through informers. However, the government decree which allows banks to sell gold and which was instituted to prevent the importation of gold by illegal means had a positive effect.

"Since 1984 we have been detecting the presence of smuggled gold on the market by observing large disparities between the price of gold sold by banks and the price of gold on the free market. We plan our operations on the basis of that information."

The official said that a disparity--though small--has recently begun to emerge between the price of gold sold by banks and that of gold sold on the free market. He added: "We have made preparations at certain locations. We will begin our operations soon."

Role of Iranians in Smuggled Gold

Another official who asked to remain anonymous said that Iranians are smuggling gold into Turkey for personal reasons rather than out of motivations to undermine the country's economy.

Stating that the amount of gold smuggled by Iranians grew substantially in 1985 in particular, the official said:

"While fleeing from the war and the regime in their country the Iranians take all their money and gold and cross into Turkey. Gold is very cheap in Iran and expensive in Turkey.

"They convert the gold they bring from their country into foreign exchange here and try to live on it. Of course, this is creating a shortage of foreign exchange and leading to minor malfunctions in the economy."

Stating that an operation was recently mounted in Agri, the official said: "We learned that smuggled gold is being stored in Dogu Beyazit. After our squads determined the person who allegedly had the gold, they seized 200 Iranian gold coins worth 16 million Turkish lira in the said person's car. The investigation of Mudur Zeyyat who was caught with the gold is continuing."

9588

CSO: 3554/162

BRIEFS

GEBZE AIRPORT CONSTRUCTION BEGUN--It has been disclosed that infrastructure work on the Gebze Industrial Zone will be completed in 8 months and that work has begun to build an airport for the region. In a speech before the Izmit Chamber of Commerce and Industry, Kocaeli Governor Ihsan Dede said that it is planned to complete the infrastructure work on the Gebze Industrial Zone, which will encompass an area of 2.3 million square meters, in 8 months. It was also disclosed that a railroad is being planned to improve the transportation facilities of the zone. [Text] [Istanbul CUMHURİYET in Turkish 7 Jan 87 p 11] 9538

CSO: 3554/163

COMBINED ARMS INTEGRATION POSES NEW CHALLENGES TO ENGINEERS

Bonn WEHRTECHNIK in German Feb 87 pp 36-40

[Article by Juergen Erbe: "Engineers -- A Branch of Service in Change"; first paragraph is WEHRTECHNIK introduction.]

[Text] The demands on the engineers' branch in modern combat have up to now had to be met more or less only in the sphere of building military bridges as far as equipment is concerned. Other missions could only be taken care of with great expenditure of time and with limited effect. A change is currently taking place here. It is important that principles of deployment, leadership and training also keep up. Colonel Juergen Erbe, engineers group leader at the Army Office, evaluates his branch of service in the following article.

The term engineer [i.e. in German "Pionier"] first appeared in the Middle Ages. It is probably derived from the French "le pion." This means "the pedestrian," but also "the pawn" in chess, and was used in the armies of the knights to designate the foot soldiers who served as technical auxiliary forces. Engineers were thus at that time supporting, technical auxiliary forces on foot, whose basic missions of support have in principle remained the same or similar through all the changes over the centuries. There were always one's own movements to support or at any rate facilitate. The opponent was to be restricted or hampered in his possibilities. Moreover, the protection of one's own forces was to be improved.

Today the term in general language usage means "forerunner, pioneer, opener of virgin land."

The development of the engineer troops occurred differently, yet in basic features similarly, in the various armies. The engineer, miner, pontoneer and sapper corps were combined by Scharnhorst in the course of the army reform in Prussia in 1809. A further significant step was then the activation of engineer battalions with one pontoneer company, two sapper companies and one miner company. The attempt to make the engineers participants in "combat of combined arms" could already be detected in training as of 1867. "The engineers also showed themselves at first to still be novices in formation-wise field service and in cooperation with other the branches in the first exercises with other branches. It was hard for the engineer commanders to understand tactical situations. Troop commanders also lacked understanding at

first." (D. Petter, "Engineers - Development of a German Branch of Service", Darmstadt 1963).

Is cooperation realized in 1987; are empathy and understanding present?

The Challenge

The change of a branch of service surely does not follow a law of nature. It is produced in any form. This is as a rule probably an altered threat, especially when a defensive alliance like NATO is in principle only in a position to respond. First of all, the Western allies in central Europe have for many years--indeed since NATO, which was the trigger for it, was founded--been facing an attack capability. The latter is at any time in a position to attack with great superiority quickly and in a concentrated manner with more or less preparation time, because of:

- structure,
- equipment,
- training, but above all
- doctrine.

This has basically not changed. But what have especially changed in a threatening way are:

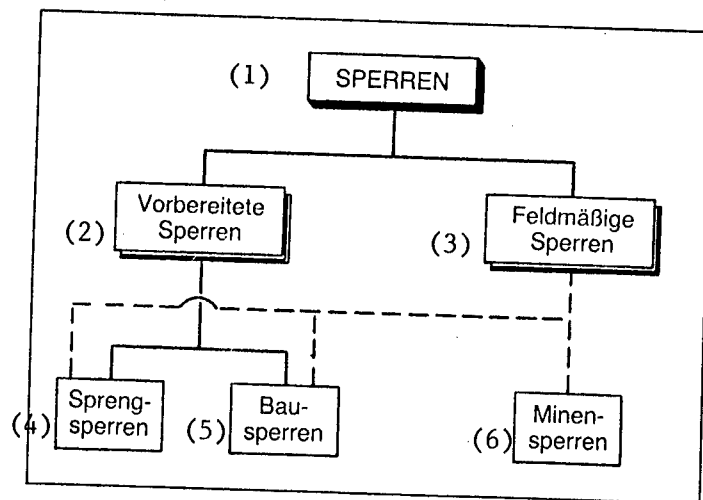
- the number and quality of battle tanks; here only the T-72 and T-80 are mentioned.
- artillery; this has always been quite a particular threat to which it is hard for us to respond. But this is becoming more apparent by the introduction of the 122-mm armored howitzer.
- the use of mines, which in the meantime is also possible on an offensive basis through the utilization of missile mines in varied delivery systems.

But the leadership capabilities have clearly improved both technically and tactically in the Warsaw Pact. The constantly increasing threat makes a defender's responses necessary. This is of course true not only of a branch of service, but for the totality of all defense efforts. For the engineer branch--as a significant participant per se in combined forces combat--is added the fact that up into the mid-1980's it still seemed to be out of date in terms of portions of equipment, its structure and in principles of deployment.

Engineers Have Very Complex Missions

Deployment of engineer troops is characterized by:

- close cooperation of their units with components of other branches of service, especially combat troops;
- the simultaneous support of several units in the width and depth of the deployment area of the major supported unit;
- the necessity of having to carry out different engineer assignments at the same time.



- 1- Obstacles
- 2- Prepared obstacles
- 3- Field-type obstacles
- 4- Explosive obstacles
- 5- Construction obstacles
- 6- Mine obstacles

First of all, this is not new, for King Charles I of England stressed in his Articles of War as early as 1625: "The engineer must serve many and attain much with little resources, but, as he cannot fulfill everything for everyone, he is loved by no one." Versatility, simultaneous support for several units and the simultaneous fulfillment of different missions are a particular challenge. Additional demands--going beyond the threat--can be easily deduced if one adds to that the additional speed of the tactical and technical course of events on the field of combat as a significant change.

The main missions of the engineers are at present and in the future will be:

- impeding the enemy's movements by setting up obstacles, especially against his armored forces;
- furthering the movements of friendly troops by overcoming obstacles and terrain barriers;
- raising the survivability of the friendly troops by building field fortifications as well as by camouflage and deception measures.

Moreover, engineers are to play a part in maintaining freedom of operation by damage removal and in drinking water emergency supply by securing water. Furthermore, missions in operating and maintaining the pipeline system are to be undertaken.

Obstacles, a Central Task

In the priority task of impeding enemy movements, it is the obstacles which contribute very decisively to fulfilling the defensive and conventional missions in forward defense. Here the following aims are to be attained:

- greater speed in deployment, in order to reduce -- or dissipate in favor of close cooperation -- the time sequence of deploying obstacles and the deployment of the engineers separate from the battle force;
- improved effect of obstacles in view of an altered threat;
- versatility in supply in order to prevent the opponent's concentration on some few types of obstacles.

These aims could only be achieved with an obstacle concept which is composed of varied prepared and field-type obstacles.

A number of aims are pursued with prepared obstacles:

- varying and supplementing obstacle possibilities;
- retaining one's own opportunity for movement in spite of all preparations for utilization;
- protecting the infrastructure and the populace;
- demonstrating the will for an effective defense;
- supplement in crisis management.

In defense, the field-type obstacles to be utilized in combat should essentially support fire and movements. Here quite especially are the mine obstacles and the laying equipment, to be used quickly and effectively, which have reached a new quality. In the subsystem of mine obstacles, the

- laying mines of particular effect and which are hard to remove;
- missile [launched or "throw"] mines in quick deployment with variable effect times and

- horizontally working directional mines, which are deployed by the engineer troops, are supplemented in a particular way by missile [v.s.] mines produced in the target-oriented artillery deployment of the Light Artillery Rocket System (LARS) and Medium Artillery Rocket System (MARS).

The army's mine obstacle concept is being realized with the availability of

- the 85 mine-laying system with antitank laying mine 3,
- the SKORPION mine-launching system with the AT 2 missile mine and
- the antitank directional mine

Effects of Mines on the Battlefield

- Engineers can more comprehensively meet the obstacle demands of troop commanders and combat forces and give sustained support in delaying and defensive types of action, with a focus on antitank operations, with obstacle mines. It is no longer necessary to depend on natural obstacles for barriers. Obstacles can be set up on any passable terrain. Artillery mine obstacles are laid where engineers can no longer set up obstacles because of the development of the situation--especially effects of enemy weapons. Combat capability is

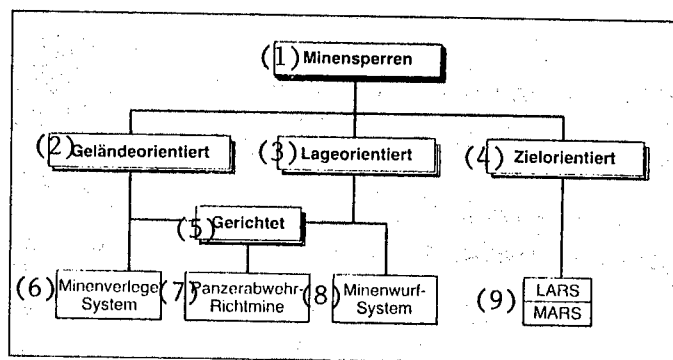
gained, combat troops more effectively supported and the enemy's overcoming of mine obstacles made more difficult by mixing the mine systems in situation-oriented deployment with other antitank weapons.

--The capability for forming concentrations of obstacles, for rapidly strengthening obstacle forces as well as for forming obstacle reserves is considerably improved.

--Because of the efficiency of new mines and their delivery systems, it will no longer be necessary to prepare mine obstacles in rear areas on an early basis and thereby unnecessarily tie up manpower and resources.

--Areas that must be kept obstacle-free for friendly troop movements can now be planned on a greater scale and still be quickly and--if necessary--temporarily blocked off, depending on the situation.

By using the full efficiency of the new obstacle resources, the engineer troops are now in a position to more effectively strengthen antitank defense in combined arms combat with flexibility, speed and in a manner adapted to the situation.



- 1- Mine obstacles
- 2- Terrain-oriented
- 3- Situation-oriented
- 4- Target-oriented
- 5- Directed
- 6- Mine-laying system
- 7- Antitank directional mine
- 8- Mine-launching system
- 9- LARS/MARS [see text]

High Demands on Equipment

Supporting one's own movements places very different demands on engineer troops. The tasks are subdivided into overcoming

- mine obstacles;
- bodies of water; and
- other hindrances.

The biggest challenge is enemy mine obstacles of all types. They have to be scouted out first of all. If a detour is not possible, they have to be opened by force or cleared depending on the local situation. This must be done with mechanical and pyrotechnical means. It is not hard to recognize that until a mine-clearing tank, which is in the final development phase, is delivered, a serious gap in equipment will have to be accepted. With the increasing threat by missile [launched v.s.] mines of varied types of delivery (rocket launchers, helicopters, jet aircraft and howitzer), it should be tested whether a lighter clearing system for opening and clearing such kinds of obstacles is not quickly feasible.

Getting across bodies of waters is done with support from armored vehicle-launched bridges and bridges of fixed and floating bridge gear, currently still in sufficient number, effectiveness and reliability. A collapsible fixed bridge for ranges even beyond the 20-meter span up to 42 meters will soon fill an existing gap. Driving through bodies of water--where possible--is also being planned. The bridge gear alone is not a decisive factor. The approaches and departures are very frequently critical links.

The following tasks are thus additionally required of the engineers for building bridges:

- establishing and maintaining crossing points,
- establishing entries and exits,
- creating approaches and departures.

Mixed equipment with machinery is first of all necessary and useful in order to be able to produce the required performances.

Operations on the field of combat far to the front demand an armored engineer vehicle which offers similar protection as battle tanks and armored personnel carriers. Numerous tasks can also be carried out by commercially produced wheeled and tracked equipment for clearing, loading and grading outside of direct enemy action. Development, procurement and operating costs are points in favor of this solution.

This mechanical equipment concept is currently being realized. It will only be conclusive when the supplementing machinery is available at about the same time:

- Armored engineer vehicle 2 is under production,
- the multipurpose caterpillar is currently being delivered to the forces,
- wheeled bulldozing equipment and swing loader are already in use.

Rapid strengthening of accesses and exits at crossing points, ferry and bridge points will soon be possible by the time- and personnel-saving collapsible road gear. Joined hexagonal plates of light metal can be laid in a few minutes at a 4.20-meter width and in lengths up to 50 meters in one piece, but also overlapping. This eliminates a big weak point in supporting friendly troop movements.

The various engineer vehicles are employed for overcoming obstacles of all types--except mine obstacles--depending on the situation, availability and suitability.

With their resources, engineers contribute to improving the protection of friendly forces against enemy firepower in all types of combat. Combat troops being deployed on foot and artillery are to a particular degree dependent on support by engineers.

The engineers' missions in raising the survivability of friendly troops are especially:

- use of engineer machines in building field fortifications,
- application of camouflage and deception measures.

The various engineer machines such as armored engineer vehicles and multipurpose caterpillars, but also wheeled grading equipment and swing loaders, are especially suited to these important supporting missions and are scheduled for use.

Operational Principles and Leadership Must Keep Up

The previously depicted changes in equipment bring about in some spheres a clear rise in supplies for supporting combat troops in particular. The possibilities then take full effect when forms and procedures of interaction and organization, which correspond in every respect to the performance rise in deployment resources, are found. The command procedures should be improved in such a way that the gained technical speed is not "eaten up" in prolonged operating sequences.

A very critical examination of the coordination of engineer forces with command levels has shown that support--even if varied--is always required from the brigade to the corps, and that there are also engineer missions to be fulfilled in the territorial portion of the army. This should be taken into consideration in future structures.

"Independent engineer combat"--temporally and spatially separate from the combat force in some areas--can and must be a thing of the past starting right now. Direct support in joint operations is becoming increasingly possible in obstacle deployment and in the measures for raising survivability.

There should be intensified joint training and exercises. This has already been started. Of course there are still unresolved demands for equipment and numerous desiderata in the case of all positive changes in outfitting and in the operational principles derived from that. There will be no room for desiderata in the foreseeable future for financial reasons. However,

justified demands should be allowed to apply to increased outfitting with appropriate operational vehicles for engineers on the field of combat. At present only the armored engineer company under the brigade is equipped with the FUCHS armored transport vehicle.

Improved obstacle supplies and quicker deployment systems with very different mines in a rapidly developing action conducted in a mobile manner make adequate obstacle planning and obstacle information necessary. This can no longer be done in the previously usual procedure with lists and surveys drawn up and corrected by hand. Furnishing obstacle planning and information limited to what is most necessary--on an EDP basis--must soon provide a remedy.

The Engineer Troops in Change

Threat and the desire for self-assertion alone determine the army's outfitting, structuring and command principles under certain limiting financial and personnel conditions. The engineer force is an important partner in combined arms combat for deterring a possible aggressor. Its operation is one of the prerequisites for a successful forward defense in the event deterrence fails. With realization of the versatile mine obstacle concept, the increased significance of the service branch becomes just as clear as providing engineer vehicles which are at least qualitatively appropriate for any of the requirements.

The possibilities of directly supporting the combat troops in particular make the engineers' change clear.

Certainly even indispensable requirements frequently find limits in financial resources. The engineer force can fulfill its mission if balance in outfitting combat and combat support troops is kept in mind and joint training is further improved.

What has been achieved is an intermediate goal and challenge at the same time.

13084

CSO: 3620/165

GIRAUD ON DEFENSE BUDGET ALLOCATIONS, SERVICE, NEW WEAPONS

Paris ARMEE ET DEFENSE in French Jan-Feb 87 pp 17-20

[Text] In the finance bill for 1987, defense is one of the priorities along with security and employment.

The draft defense budget for 1987 is expected to reach 169.2 billion francs, or, in effect, 83.4 billion francs under Title III and 85.8 billion francs under Title V, with total program authorizations totaling 102 billion francs.

Features of Draft Budget

Speaking to the National Defense Committee, the defense minister observed that the draft budget has three features: "It shows in a striking way the government's priority assigned to national defense; despite significant operating economies, it gives an adequate role to Title III, particularly to unit training and equipment maintenance; and it consolidates today's equipment programs and prepares for the future." The minister indicated that with "169.2 billion francs, allocations increase by 6.85 percent, or almost 5 percent in volume, within a general budget that increases less (+ 1.3 percent) than the predicted price increase. The trend observed over the last few years of decline in the defense budget's share of the GDP is reversed: 3.793 percent in 1987, compared to 3.765 percent in 1986 in the initial finance bill (and 3.72 percent in updated figures)."

Presentation of Operating Allocations

Operating allocations (Title III) increase to 83.39 billion francs (+ 0.87 percent); they represent 49.3 percent of the defense budget. Their slight increase was made possible due to expected economies in fuel and heating, as well as in continued reduction of civilian and military personnel. A major effort has been approved for programmed maintenance of equipment and training of army units. The living standard in units will be maintained, and even, for the gendarmerie, significantly improved.

Allocations for pay and social security contributions increase by 1.2 percent. Pay and salaries of defense personnel remain at the 1986 level, in conformance with the government's general directives on development of public remuneration. The establishment of 1,000 auxiliary gendarme positions, compatible with the Gendarmerie's training capabilities, responds to today's very pressing concerns about security.

The growing success of long-service volunteering has led to an increase in

proportion of authorized units, to 15 percent for the Air Force, 25 percent in the Navy, 49 percent in the Gendarmerie, and 17 percent in the health service; it will remain at 10 percent for the Army. Measures are planned to benefit conscripts who have chosen longer terms of service. Soldier's pay will henceforth be indexed to the civil service index point.

The minister listed the main measures to improve the conditions of defense personnel other than conscripts: revision of the increase in compensation for military expenses (cost 50 million francs) to the benefit of soldiers from the ranks enlisted at special progressive pay, and heads of families; keeping at the same absolute level the number of noncommissioned officers under scales III and IV; and increase in the number of on-duty meals in the Army. The reduction in personnel in 1987 will affect 4,200 jobs, including 2,750 military and 1,450 civilian. They will involve mainly personnel assigned to the central administration and those who contribute to maintenance of the forces.

The allocations for forces operations, in particular fuel allotments, will enable Army units to carry out 100 days of maneuver in the field, including 50 with unit equipment; the Air Force 180 flying hours per pilot per year; and the Navy, 100 days at sea per ship.

Presentation of Equipment Allocations

The equipment allocations (Title V) are 102 billion francs (+ 20 percent) in program authorization, and 85.81 billion francs (+ 13.39 percent) in payment allocations. Nuclear programs represent about one-third of Title V (32.71 percent in program authorizations, and 32.85 percent in payment allocations). Allocations for research increase by 22.5 percent in program authorizations, and 14.9 percent in payment allocations. Development shows the largest increase (+ 26.6 percent in program authorizations).

The Army (program authorizations): + 27.04 percent; payment allocations: + 12.75 percent) will order 64 modernizations of the AMX 30 tank version B2; 255 front-armored vehicles; 25 tracked, armored escort vehicles; 25 155-caliber guns, 2,678 tactical vehicles, 15 combat helicopters, and 6 Super Pumas. Development and production of Ide transmission equipment necessary for the Hades missile will be continued, as well as development of the Leclerc tank and the Orchidee radar. The following equipment will be delivered: 70 AMX 30 B2, 268 front-armored vehicles, 2,614 tactical vehicles, and 24 155-caliber guns.

For the Navy (program authorizations: + 5.69 percent; payment allocations: + 13.10 percent) the priority effort for the FOST [Strategic Ocean Force] will be continued: "Le Tonnant," the first SNLE [nuclear submarine launcher of ballistic missiles] to be refitted, will be delivered, and the refitting of SNLE "Le Terrible" will be ordered. The allocations necessary for continuation of the nuclear aircraft carrier program are included under a new heading pending a final decision in the context of the programing work. In 1987, an ocean anti-mine ship and five Atlantique 2 planes will be ordered; and the third nuclear attack submarine, the sixth antisubmarine corvette, and three anti-mine ships will be delivered.

The Air Force (program authorizations: + 34.14 percent; payment allocations: + 13.98 percent) will order in the nuclear field 12 Mirage 2000 N, will have 11 Mirage 2000 N and the last 5 Mirage IV P delivered, and will have engines replaced on three C 135. The following will be ordered in the conventional programs: the first batch of the airborne detection system (the necessary allocation, separated under a heading created for that purpose, will not be used unless the decision to launch this program is finally taken), 7 light cargo planes, 23 Mirage 2000 DA, and 6 Ecureuil helicopters. The deliveries will be 8 Mirage 2000 DA, 33 Epsilon training planes, and 6 Ecureuil helicopters. The budget for 1987 enables continuing the development relating to the future combat plane.

The Gendarmerie (program authorizations: + 9.84 percent; payment allocations: + 13.31 percent) will order 6 helicopters, 1,947 police and highway patrol vehicles, and 1,220 equivalent for building units.

The allocations for the joint section (program authorizations: + 16.42 percent; payment allocations: + 13.64 percent) will enable launching of the two new programs: the new ground component and the new warhead of the M4 missile. A certain level of study of penetration aids has been maintained. The allocations transferred to the Atomic Energy Commission (+ 10 percent in program authorizations and + 12 percent in payment allocations) will specifically enable continuation of the Hades program. Allocations for space are becoming really significant (1.545 billion francs in program authorizations and 473 million francs in payment allocations).

Answers to Questions Relating to Changes in National Service

The Defense Ministry has reminded that "national service must adhere to the absolute principle of continuity. Each young Frenchman owes 1 year of support to the national community; the present situation, which enables many to escape it, is not satisfactory. (...) The national service may thus change as follows: all young Frenchmen will take a 'defense training period' of 2 or 3 months to develop the spirit of defense, the traditional military values (sporting spirit, courage, team spirit), and to inform them about the threats and about defense organization. On completion of this training period, the volunteers can be assigned to the traditional active units; others, assigned closer to their homes, would defend their familiar territory. One might envisage a system of the Swiss type. Finally, others would continue to be assigned to the adviser program, to the gendarmerie, police, etc. Out of concern for equality among the various forms of service, too much difference in facility conditions should be avoided. We should avoid reducing the number of call-ups, in order to maintain the solidarity among young Frenchmen."

Choice of Future Airborne Detection System

The defense minister explained that "all the systems currently available should be reexamined in order to choose the best. It would be advantageous if France and the United Kingdom both purchased the same system."

Future Combat Plane and French-German Helicopter

"The future combat plane program raises numerous questions: the overall cost

of the program, about 130 billion francs, is very high. (...) The European cooperation on this project could be revived, as long as a not too rigid project is proposed to the partners. The French-German helicopter project is experiencing some difficulties, however the Germans seem to have given up on the American "visionics," which simplifies the program and satisfies us. At present, if the project succeeds, it will cost the same as an entirely national helicopter, and thus we need to work together to make the least expensive helicopter possible."

Leclerc Tank Project

"The Leclerc tank project appears remarkable, very advanced, and no more expensive than the present German Leopard. Nevertheless, we should consider cooperation with Germany in this area. A French-German company could be established to produce it. At the outset, there would be French majority holding; the Germans could increase their participation if they later decided to order some."

And Nuclear Forces

"The second component of the nuclear forces that France needs should be as invulnerable as possible, which leads to the choice of a mobile ballistic missile, preferred over a subsonic cruise missile that is more easily detectable and vulnerable to the existing air defenses (637 million francs in program authorizations and 58 million francs in payment allocations are planned for 1987).

"The necessary spreading out of financial due dates has led to launching of the new component project and a slight delay in the M5, which is no longer justified prior to the end of the century.

"The problem of penetration aids does exist, however for the immediate future it seems preferable to concentrate on search for greater undetectability of nuclear warheads, a technique that could also be applied to the future combat plane, which would give it a clear advantage over its competitors."

In regard to the Hades program, "each Hades launcher vehicle should be able to fire twice, which would enable having more missiles at lower cost, because it has always been accepted that the warning given by tactical nuclear weapons should be militarily significant."

Finally, the Mirage 2000 N, a much more expensive system than the Hades, could be given a degree of multipurpose function, to make it a plane suitable for conventional air-to-ground missions.

While the minister still views them with favorable prejudice, only one nuclear aircraft carrier may be ordered at the present time. At any rate, if the coming program bill imposes further choices, the aircraft carrier and combat plane programs could be the first affected.

9920

CSO: 3519/91

BRIEFS

MISTRAL TEST FROM HELICOPTER--The development of the Mistral very short-range ground-to-air missile is progressing well with the launch of a missile with warhead from a helicopter in stationary flight. The missile hit the target located 2,700 meters from the launch point. The firing was carried out at the Mediterranean Test Center in the presence of the chiefs of staff of the three services and the deputy for arms programs. The Mistral program is being carried out under responsibility of the Tactical Missiles Technical Service of the Missiles Department by the MATRA company, as chief industrial contractor, with SAT and SEP as main cooperators for the infrared self-guidance and propulsion. [Text] [Paris ARMEE ET DEFENSE in French Jan-Feb 87 p 12] 9920

SADRAL TESTED UNDER OPERATIONAL CONDITIONS--The first firing under operational conditions of a MATRA Mistral from the navy platform SADRAL (Light Anti-air Close Self-Defense System) developed by MATRA was carried out on the ship "Ile d'Oleron" by the Navy at the Mediterranean Test Center. The missile was fired, under conditions of a force 4 sea with wind of 35 knots, at a target missile Aerospatiale CT 20 flying at low altitude, radial course, at a range of 3,800 meters. The target was destroyed by direct impact of the missile on the target. Designed for protection of ships against planes, helicopters and anti-ship missiles, SADRAL, developed by MATRA under contract from the Missile Department (DGA), is composed of a stabilized platform, mobile in site and direction, on which are installed six Mistral missiles ready to fire. It is recalled that Mistral is a light (18 kg) missile that is completely independent after firing thanks to its passive infrared self-guidance. It will also be assembly line produced by MATRA for various systems adapted for anti-air defense for the Army and Air Force. Its range (6 km), speed (Mach 2.5), accuracy and terminal effectiveness (as a result of a 3 kg warhead with proximity fuse) have already been demonstrated in numerous development firings under operational conditions. The SADRA system will be installed first on the "Cassard," the first of the Navy's new anti-air corvettes. [Text] [Paris ARMEE ET DEFENSE in French Jan-Feb 87 p 12] 9920

CSO: 3519/91

ARMS INDUSTRY FACES DIFFICULTIES IN WAKE OF 'IRANGATE'

Lisbon O JORNAL in Portuguese 6-12 Mar 87 p 4

[Text] The Assembly of the Republic is expected to schedule the parliamentary inquiry into "Irangate's" Portuguese connection for mid-April. The initiative came from the PCP, and party sources say it was based primarily on abundant data gathered over the past few weeks from the Portuguese and American press.

O JORNAL has learned, however, that the lack of parliamentary information on the matter, specifically from the government, has been criticized by the deputies, and it has meant that they have had to rely almost exclusively on what Portuguese and American newspapers have published on the subject.

But not everyone involved in the Portuguese component of Irangate feels the same way about the role of the press in these events, and the first to disagree are the workers at the two largest arms plants: INDEP (National Defense Industries) and the Oeiras Foundry.

Workers at those plants who spoke to O JORNAL expressed concern about the consequences of the "inordinate publicity" surrounding Portuguese arms deals in connection with the Irangate affair and the Contra episode in Nicaragua.

Moreover, our sources assure us that there have been information leaks at those plants during the negotiation of contracts for supplying war material to foreign customers. It has also happened that a contract has been signed, but then the necessary line of export credit has not been opened.

As O JORNAL reported earlier, not only the Oeiras Foundry and INDEP but also the explosives factories (EXTRA and SPEL) are in dramatic circumstances, since they have no significant contracts and are experiencing internal turmoil.

The Oeiras Foundry is in danger of losing one of its best contracts of the last few months as a result of the incident involving the ship Gretl, which was forced by West German authorities to halt a 1.6-million-conto shipment of bombs for Iran when it was already close to the Persian Gulf.

INDEP has not managed to win any good contracts for the past 2 years. But as O JORNAL reported, the firm was momentarily "saved" from financial collapse at

the end of last year by the arms dealer and co-owner of DEFEX, Marcelino de Brito, who visited INDEP's facilities last November.

INDEP's employees have been receiving their pay thanks to bank loans and the secretary of state for the Treasury, the exceptions being in November and December (including the "13th month"), when the deal worked out with Marcelino de Brito as middleman made it possible to meet the payrolls for those 2 months without any other financial charges for the firm.

No Response From Minister

For its part, the government--specifically Leonardo Ribeiro de Almeida, the minister of defense--is still keeping quiet about what is going to happen to the national arms firms in the near future.

The problem is made worse by the disagreements which exist, according to our sources, between Minister Leonardo Ribeiro de Almeida and the chairman of INDEP, General Casimiro Proenca.

According to what we have learned, Casimiro Proenca is not in the government's "good graces," but his job is not in jeopardy because he enjoys the "absolute confidence" of General Lemos Ferreira, chief of the Armed Forces General Staff, whom he once served as aide-de-camp.

Moreover, there is no dialogue at the moment between Gen Casimiro Proenca and the workers committee (consisting of six PCP members, four members of the PS [Socialist Party], and one member of the UDP [Popular Democratic Union]). It is INDEP's personnel manager who usually deals with the firm's workers committee.

INDEP's current management board was appointed by the central bloc government, when Mota Pinto was minister of defense. That management board is being challenged by the communist element at the firm and, according to our sources, in the Ministry of Defense as well.

Climate of Fear

The situation at INDEP is made worse by a climate of fear which, some workers say, is being experienced in the plant's facilities and "its vicinity" (Poco do Bispo) and by strange episodes which O JORNAL has not been able to confirm.

Our sources say that in the summer of 1985 (when Portuguese war materiel was being exported to Latin America and allegedly diverted to the Contras), General Francisco Freire (INDEP's industrial manager) and engineer Cavaco (sales manager at the time of the Contra episode) flew secretly to a South American country in the company of assistants from the firm who were not part of the sales organization.

When those INDEP officials returned, nearly all of them were ill. They reportedly explained their condition by saying that the place they had visited was at such a high altitude that they had lost consciousness.

Meanwhile, a degree of instability among INDEP's top officials has been manifesting itself over the past year. Sources at the firm report the possibility that engineer Cristoban, currently in charge of sales, will resign. We were also informed by the same sources that engineer Chambre, who was manager of the Moscavide plant (which belongs to INDEP), submitted his resignation 2 weeks ago. He reportedly met with the workers committee to inform it of the reasons for his departure: he never knows what is going on in the firm until a staff memo is issued, and he receives telephone calls from FP-25 [People's Forces-25 April] threatening to kill him.

Chambre's reasons were not included in the minutes of the workers committee meeting at which the matter was discussed.

G-3 Production at a Standstill

The entire strange situation being experienced at INDEP is made worse by the fact that the government is not investing in the firm. According to its workers committee, INDEP manufactures obsolete products: 105mm, 81mm, and 60mm ammunition and ammunition for the G-3 (the G-3 production line is practically shut down, and a 200,000-conto machine for making G-3 gun barrels has never yet been used).

From that standpoint, the Oeiras Foundry--despite the current situation of alarm created by the Gretl episode--shows more entrepreneurial aggressiveness and is able to offer relatively more modern weapons, one example being 120mm ammunition (an item ordered by Iran and included in the shipment on board the Gretl).

[copy missing] originally, and almost exclusively, to the manufacture of war material and enjoyed some degree of protectionism under the former regime.

The firm's chief customer in the 1950's and 1960's was the FRG, which bought antitank grenades and mortar shells. Those supply contracts (and others with the United States) were signed within the framework of NATO. As a matter of interest, it should be noted that at the time, there was a disagreement with the FRG over a breach of a contract by that country, and the Oeiras Foundry won the suit it brought before an international body.

11798

CSO: 3542/70

COST, ORIGIN OF ARMED FORCES' EQUIPPING PROGRAMS

Madrid TIEMPO in Spanish 2 Mar 87 pp 36-39

[Article by Enrique Montanez: "NATO Demands That Spain Spend 5 Billion Pesetas on Weapons"]

[Text] Spain is ready to manufacture a dozen atomic bombs for tactical use with an average price of a billion pesetas each, not including the enriched uranium necessary for each nuclear weapon.

Our country's definitive entry into NATO has been the deciding factor to prompt the government to abandon military plans calling for the Spanish Armed Forces to have a reduced nuclear attack force by the end of the 1990's, as was confirmed by reliable sources in the Defense Ministry.

Studies made by staffs regarding the possibility of providing the armed forces with a nuclear force of its own for tactical use, that is, for a smaller "theater of operations," estimated that 2 billion pesetas would be required for a first phase of the nuclear program.

This money would be used for the building of the infrastructures that would protect the airplanes and submarines, the two weapons systems on which the Spanish nuclear attack force would be based, according to the studies made by the military strategists. The Navy would have two nuclear attack-proof underground bases which would hold the nuclear submarines: one in the Atlantic, located off the coasts of Galicia, and another in the Mediterranean, possibly making use of the current Cartagena base, where the submarine fleet is situated.

Insofar as the Air Force is concerned, the military studies cited the Los Llanos air base in Albacete as the one most suited for deploying bombs with a nuclear load carried by Mirage airplanes or, if the project were continued, by the new F-18's from the FACA program. The infrastructure for the nuclear program included a secret underground plant for the manufacture of atomic bombs.

It was thought that the main spearhead of the Spanish nuclear force would be backed by four nuclear-propelled submarines of the French "Rubis" class, built in our country under a patent. The Spanish naval construction industry has followed French technology for the construction of the four submarines of the "Delfin" class and the four of the "Agosta" class currently in service. The

Modernizing the Army

With the nuclear program for military purposes abandoned, although Spain has been careful not to sign the Nuclear Non-Proliferation Treaty, in its new capacity as a NATO member nation, the government's efforts have been directed toward the modernization of the conventional weapons systems: Spain will spend 5 billion pesetas to renovate the material equipment of the three branches of service up until the mid-1990's.

With 10 percent of the defense budget, that is, about 70 billion pesetas, it would be possible to double the budget of the General Directorate of Environment (1.455 billion), to quintuple the investment program for prison buildings (6.960 billion), triple the budget of the National Institute of Youth (4.464 billion), create 100 family planning centers at 30 million per center (3.000 billion), raise the budget appropriations for the Occupational Training Institutes, at 10 million per center (24.000 billion); subsidize the 2-week stay in Spain of 50,000 students from the Magreb countries to reinforce the cooperation and knowledge of the peoples located in our "threat area"; and increase by 50 percent the budgets for university education (39.283 billion).

Despite the criticism aimed at the government for the large military expenditures, the executive branch last week succeeded in prompting Parliament to approve an expansion of the Law on Budget Appropriations for arms purchases during the period 1982-90.

The new law does not specify any amount of money, but rather grants the Parliament's permission to the government to establish the expenditures based on the requirements. This method has been established because, by the middle of the effective period of the Appropriations Law, the Defense Ministry had already "eaten up" the 2 billion pesetas budgeted for the period 1982-90, and it now needs more money in order to cope with the contracted programs.

Weighed estimates by the Defense Ministry indicate that, apart from the 2 billion in the Law on Budget Appropriations, owing to the expansion that has been made in the law, from now until 1992 another 2 billion will be necessary. This does not take into account the fact that a large number of the programs under way for weapons purchases will not be implemented until the mid-1990's; therefore, at the present rate of increase, the military spending will stand above 6 billion pesetas.

The tables accompanying this article break down the costs of the main purchasing programs of the three branches of service and the final cost estimates. Not included are the lesser programs, the maintenance of the already existing weapons systems, the necessary ammunition, and the expenses for infrastructure and personnel.

The purchases of these new weapons will cost each Spaniard 130,000 pesetas per year. Only 5 years ago, when Spain joined the Atlantic Alliance in June 1982, no expert or analyst could foresee that NATO would turn out to be so expensive for us.

(1) EVOLUCION DEL PRESUPUESTO DE DEFENSA COMPARADO (2) (3) CON LA EDUCACION, SANIDAD Y S. S. (7) (8)						
Ano	Total Presupuestos Generales del Estado (PGE)	Total presupuestos Defensa (4)	Defensa (%) (5)	Educación (%) (6)	Sanidad (%)	Seguridad Social (%)
1977	967.250,0	157.969,5	16,33			
1978	1.433.000,0	189.208,7	13,20			
1979	1.747.500,0	237.468,3	13,59			
1980	2.284.456,0	286.961,5	12,56			
1981	2.823.200,0	337.463,4	11,95			
1982	3.533.820,0	409.283,5	11,58			
1983	4.513.365,0	478.332,7	10,59			
1984	5.399.649,0	552.833,6	10,23	9,7	7,0	19,7
1985	6.113.086,5	618.631,0	10,11	8,1	5,0	20,0
1986	7.164.232,0	630.983,5	8,80	6,2	0,3	21,6
1987	7.928.364,7	704.076,7	8,88	6,1	0,3	22,7

Key to Chart 1:

1. Evolution of the Defense Budget Compared With Education, Health, and Social Security
2. Year
3. Total General State Budget (PGE)
4. Total defense budget
5. Defense (%)
6. Education (%)
7. Health (%)
8. Social security (%)

Navy

Program	Supplying Firm	Cost (in billions)
"Principe de Asturias" aircraft carrier	Bazan National Enterprise	100,000
Aircraft carrier for the combat group		
FFG frigates	Bazan National Enterprise	80,000
Construction of four missile-launcher frigates to protect the "P.A." aircraft carrier	(with Gibbs & Cox patent, from U.S.)	
NATO frigate (NFR-90)	Eight countries, including Spain, are participating	200,000
European project for research and development of a NATO ocean frigate (Spain has opted for four units)		
Planes for aircraft carrier	McDonnell Douglas	12,000
12 "Harrier" AV-8B vertical takeoff planes	(U.S.)	

latter, precisely, have a prenuclear technology, and all that needed to be nuclear in them was the reactor which drives the engines.

The plans to modernize the Navy call for the construction, during the 1990's, of a nuclear-propelled submarine with the designation "Series-80."

Sources from the Naval War College comment: "A submarine with conventional propulsion, can carry nuclear bombs; it need not have nuclear propulsion to do so; but the great advantage of a nuclear submarine is that it need not rise to the surface in order to recharge the electric batteries which provide the engine with power. And, therefore, it is optimal for siting nuclear weaponry."

Alternative Defense Model

The research and development of a program with four nuclear submarines would entail a cost of a billion pesetas, added to the 2 billion previously mentioned for infrastructures. A nuclear submarine costs three times more than a conventional one. The Navy Staff thinks that the number of submarines required, if they go so far as to undertake a nuclear program, would be three or four units: one to operate from the Atlantic, a second located in the Mediterranean, and a third for maintenance and provisions at the base.

Sources from the Defense Ministry told this weekly publication that Spain's definitive incorporation into NATO "has made it senseless for our country to embark on a very expensive military nuclear program." The current doctrine of the Atlantic Alliance notes that, in the event of an outbreak of hostilities between the two military blocs in the European "theater of operations," if, because of the escalation of the conventional war, they should resort to the use of nuclear weapons of a tactical type, "the United States would provide its allies with nuclear weaponry if the circumstances so required," as the military sources declared.

Spain, as a NATO member nation (although formally outside of the Atlantic Alliance military structure), in the event of a conflict, would have bombs with a nuclear warhead available, with the specific mission of ensuring for the West maritime traffic through the Strait of Gibraltar. The entry into NATO has weakened the arguments of those in the armed forces who maintain that Spain should be provided with a nuclear attack force of its own.

Unofficial studies claim that, with the money that Spain is spending to modernize with conventional weapons a conventional army in the service of NATO (about 5 billion pesetas), it could have put into effect an alternative defense model which, with the nuclear weapons available, would have made it possible to negotiate on an equal footing with Great Britain the return of Gibraltar's sovereignty.

The plans for purchasing weapons to modernize the three branches of service have met with strong criticism from non-politicized professional military men. The most common criticism is that Spain is purchasing weapons systems adhering to the demands of NATO.

[continued]

Program	Supplying Firm	Cost (in billions)
"Aspide" missiles 24 surface-to-air missiles for the "Balears" class frigates	Selenia (Italy)	1.723
"Harpoon" missiles 24 surface-to-air missiles for the new FFG frigates	McDonnell Douglas (U.S.)	4.708
Antisubmarine warfare (Lamps-III) Six SH-60 "Sikorsky" heli- copters for the combat group	General Dynamics and IBM (U.S.)	100.000
Air alert radar Air defense radar for "Sea King" SH-3D helicopters	Thorn Emi (Great Britain)	2.500
"Cormoran " patrol boats Deep-water patrol boats designed in Spain	Bazan National Enterprise	Undetermined
Supply ship Multi-purpose logistical supply ship for the combat group	Bazan National Enterprise	15.000
Destroyers A backup destroyer for the combat group	Bazan National Enterprise	Undetermined
Minesweepers Four deep-water and eight coastal minesweepers	Bazan National Enterprise (probably based on the Italian "Lericci" model)	Undetermined
Amphibious group Replacement of the "Aragon," "Castilla," and "Galicla" attack transports	Bazan National Enterprise	Undetermined
S-80 prenuclear submarine Replacement of the four "Daphne" class submarines	Bazan National Enterprise	Undetermined
Total: 515.093 billion		
Estimate (budgeted programs + programs with as yet undetermined cost): 1.5 trillion		

Army

Program	Supplying Firm	Cost (in billions)
"Lince" tank New battle tank to replace the U.S. M-47 and M-48	The Santa Barbara National Enterprise will manufacture 500 units of the selected supply (French, German, and Italian)	150.000 (1)
Famet helicopters 19 "Super Puma" AS-332 trans- port helicopters for the Army's airborne forces	Aerospatiale (France)	18.000
A-129 European attack heli- copter In the research phase	Consortium comprised of Great Britain, the Netherlands Italy, and Spain (1990's)	Undetermined
Antitank missiles Anti-battle tank wire-guided missiles	The U.S. "TOW" and the French- German "HOT" are competing	30.000
"Roland" and "Aspide" missiles Surface-to-air missiles for defense of low-altitude flying planes	Euromisile (French-German), Selenia (Italy)	45.000 (30.000 X 15.000)
Portable antiaircraft missiles Antiaircraft missiles handled by a single man	"Stinger" (U.S.), "Mistral" (France), and "Haveline" (Great Britain) are competing	20.000
AMX-30 tank Modernization of the fire control of the AMX-30 battle tanks of French origin	Santa Barbara, Bazan, and Inisel	20.000
"Olimpo" communications Microwave communications system for units	Spanish consortium	Undetermined
"RADITE" tactical communica- tions The Army's integrated digital automatic transmission system	Spanish consortium	100.000
RTM communications Expansion of the Territorial Command System with tropo- spheric links	Spanish consortium	7.500

[continued]

Program	Supplying Firm	Cost (in billions)
BMR vehicles 208 turrets for the medium armed vehicles on wheels	Santa Barbara, under a license from Otto Melara (Italy) and McDonnell Douglas (U.S.)	16.837
"Chinook" helicopters Six heavy transport helicopters	Boeing Vertrol (U.S.)	20.000

(1) The state secretary for defense, Eduardo Serra, in statements, has noted that this program might reach the sum of 250.000 billion pesetas

Total: 427.337 billion

Estimate (budgeted programs + programs with as yet undetermined cost) : 600.000 billion

Air Force

Program	Supplying Firm	Cost (in billions)
FACA 72 F-18 combat planes	McDonnell Douglas (U.S.)	320.000
FACA missiles Air-to-air and air-to-surface missiles for the F-18's	Texas Instruments and Hughes (U.S.)	100.000
Future European combat plane (EFA) Program in research phase	MBB (Federal Republic), BA (Great Britain and Italy), and CASA (Spain)	400.000
European transport plane (FLA) Program in research phase, European countries partici- pating	-	Undetermined
Surface-to-air missiles Missiles for the air defense of the bases where the F-18's and "Mirage" are	Probably Bofors (Sweden)	15.000
Antiaircraft artillery Modernization of the fire control of the "Bofors" guns	Inisel (Spain)	Undetermined

[continued]

Program	Supplying Firm	Cost (in billions)
AWACS Early warning radar plane	Probably Lockheed (U.S.)	Undetermined (1)
Future "MX" tactical plane Advanced tactical plane in the research phase	CASA (Spain)	100.000

(1) After the FACA, the program for an early warning radar plane will be the most expensive one confronting the Air Force. Official estimates cite its cost at no less than 150.000 billion pesetas.

Total: 935.000 billion

Estimate: (budgeted programs + programs with as yet undetermined cost): 1.3 trillion

2909

CS0: 3548/57

STATUS OF U.S. MILITARY COOPERATION

Istanbul CUMHURIYET in Turkish 2 Nov 86 pp 16, 20

[Text] Ankara -- The defense co-operation between Turkey and U.S. is proceeding in an orderly and gradual manner despite minor problems that surface periodically or the 'bottlenecks' in 'Bases Agreement' discussions, and Ankara's 'disappointment' over the lowest level of aid for the last 5 years.

Taking a broader look at major initiatives forming the substance of the defense co-operation this is what emerges:

1. Nuclear depositories in Turkey being modernized,
2. The 'Host Nation Support Agreement' concerning American reinforcements to Turkey in the event of war mostly been worked out,
3. Temporary solution found for F-16s arriving at Incirlik,
4. Construction of airfields in Mus and Batman proceeding within the framework of 'Colocated Air Bases Agreement',
5. Enlargement of Incirlik airbase proceeding.

Based on American sources, the status of the defense cooperation can be depicted as follows:

1. Status of nuclear depositories: U.S. and Turkish military officials have reached agreement, within the NATO framework, over the modernization of nuclear depositories. Accordingly, new systems will be introduced at the 4 'national' airfields where nuclear-capable aircraft are maintained, and also at the nuclear warhead depositories in Incirlik Base. Against the possibility of an accident, 54 'weapons depository security systems' (designed to enhance physical security and protection of warheads) will be installed in Turkey. These systems, apart from the enhancement of security, enable nuclear warhead-carrying aircraft to take off in shorter time in the event of nuclear alarm.

According to a Pentagon document the said systems will be distributed among nuclear depositories as follows: Incirlik 30 units, Balikesir 5, Malatya-Erhac 6, Murted 6, Eskisehir 6. These figures indicate that more than half the warheads in Turkey are stored at Incirlik where the 'double-key' system does not apply. The number of nuclear security systems to be installed at the 4 'national airfields' is 24, whereas at just one 'joint defense installation', Incirlik, 30 systems will be installed, more than all the others combined. At the 4 airfields two separate keys are necessary to open the nuclear depositories. In other words, in order to open them an American and a Turkish officer have to produce two separate keys simultaneously. So neither the American nor the Turkish officer can open the depository on his own. At the Incirlik Base, however, only the American commander has the key. But since the Turkish commander is responsible for the security of the surrounding area it would be impossible for the American commander to open the depository and load warheads on the aircraft without the Turkish side knowing about it. At Turkish Air Force bases -- Malatya, Eskisehir, Balikesir and Murted -- nuclear warheads are meant to be carried by F-4 (Phantom) and F-104 aircraft. One nuclear capable air squadron is maintained at each of these airfields.

2. F-16s at Incirlik Base: Another development closely related to Turkey's nuclear policy concerns the type and number of American aircraft to be deployed at the Incirlik Base. In the past, all the planes at the Base, most of which nuclear capable, had been Phantoms. A while ago U.S. gave notice to Turkey that it intended to replace the Phantoms with F-16s, which have higher capabilities and longer range. The problem was that F-16 squadrons comprise of 24 planes compared to 18 planes for each F-4 squadron. The problem had to do with military arrangements concerning landing rights. The Turkish side argued that the new arrangement would have to be incorporated into the 'appendix' within the framework of the DECA. The American side, on the other hand, argued that the new arrangement could be made without having to wait for DECA. U.S. Assistant Secretary of State Richard Perle has already indicated his discontent to a group of Turkish parliamentarians visiting him, complaining about the uncooperative attitude of Turkish authorities on this issue. According to Pentagon officials, a preliminary solution concerning the F-16s has been agreed upon. One Pentagon official said, "We managed to resolve the issue of F-16s, working on a case to case basis with Turkish General Staff. But the real and permanent solution would have to come within the framework of DECA."

Meanwhile, officially unconfirmed reports indicate that an F-4 squadron at Incirlik has already been replaced by an F-16 squad-

ron. It thus seems that the arrival of F-16s at Incirlik, which the Americans have endowed with such strategic significance, has found a temporary solution, no longer causing headaches among U.S. officials.

3. Host Nation Support Agreement (HNSA): Significant progress has been made in HNSA, the most important military document to be negotiated between Turkey and U.S. in the last decade. HNSA concerns the pre-positioning of support services and other elements that would be needed by American reinforcement units coming to Turkey during a crisis. Accordingly, the requirements of these forces, from ammunition to spare parts and medical supplies, will be placed in Turkey beforehand, so that these units would not have to carry all that load during the crisis, hence speeding up their redeployment.

An official at the U.S. Defence Department, speaking about the status of the agreement, said, "We covered 95 percent of the agreement and hope to conclude it by the end of the year." The outstanding problem reportedly involves financing of the construction. Is Turkey using HNSA as a bargaining tool in the broader context of DECA? One comes across people in Ankara who might say Turkish authorities are dragging their feet over HNSA but Pentagon officials do not subscribe to that. "As an ally we don't think Turkey would behave like that," they say.

4. Colocated Air Bases: Construction has started for building two modern airfields in eastern Anatolia which will be jointly used by Turkish and U.S. Air Forces. Construction of the airfields is taking place within the framework of the 'Colocated Air Bases Agreement', the most significant military accord signed between Turkey and U.S. in the last decade. According to Pentagon sources, 20 percent of the runway at Mus is completed. U.S. already spent \$10 million (TL 7 billion) to that purpose. U.S. administration had earmarked \$21 million for the Mus airfield in the 84 budget. But as the second stage of the project will be financed from the NATO infrastructure budget (section 37) \$10 million of the \$21 million have been transferred to U.S. Air Force. In the 84 budget \$8.3 million had been earmarked for Batman airfield. As this project will also be financed from NATO infrastructure budget there will be no need for the \$8.3 million. According to U.S. Defense Department sources, construction of Batman airfield will be starting this fall.

5. Enlargement of Incirlik: The enlargement of Incirlik, the largest U.S. air base in eastern Mediterranean, is continuing. U.S. Defense Department has made appropriations of \$17 million in the 87 budget for construction of new installations at the base.

According to Pentagon sources, the new buildings to be erected are: Bachelor officers' quarters (\$2.25 million), supplies center (\$1.2 million), cafeteria (\$2.35 million), emergency services (\$820,000), post office (\$510,000), vehicle maintenance center (\$4.8 million), guest officers' quarters (\$3.4 million), storehouse (\$1.65 million). In 86 the U.S. administration had appropriated \$12 million for the enlargement project at Incirlik.

12466

CSO: 3554/118

BRIEFS

COAL FROM PRC TO ALLEVIATE AIR POLLUTION--Ankara Metropolitan Area Mayor Mehmet Altinsoy disclosed that high-grade coal will be imported from the PRC to reduce air pollution in Ankara. A PRC delegation visited the mayor in connection with this issue. During his talks with the delegation, Altinsoy said about coal imports: "We need clean coal. We learned that China has clean coal. We have begun official contacts on this issue. The 50,000 metric tons of coal we bought from China is already on its way to our country. Our contacts on this issue will continue in 1987." [Text] [Istanbul CUMHURIYET in Turkish 7 Jan 87 p 14] 9588

CSO: 3554/162

- END -